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Lobbying by Trade Associations on EU Climate Policy

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Glossary

TERM	DEFINITION
CDP	A not-for-profit organisation that collects environmental information from companies annually. Formerly known as the Carbon Disclosure Project.
Cefic	European Chemical Industry Council
CEE	Central and Eastern Europe
CEPI	Confederation of European Paper Industries
COP	Conference of the Parties – Part of the UNFCCC negotiating process between nation states
CSR	Corporate social responsibility
EU	European Union
EUROFER	The European Steel Association
Eurometaux	European Association of Metals
ETS	Emissions Trading System
FuelsEurope	Trade Association established to represent the interests of refining companies operating within the EU. Formerly known as EUROPIA
GHG emissions	Greenhouse Gas emissions
IPCC	Intergovernmental Panel on Climate Change
MEP	Member of the European Parliament
NGO	A non-governmental organisation (e.g. Friends of the Earth)
n.d.	No date – denotes that cited evidence is online, and no publication date has been given
OGP	The International Association of Oil & Gas Producers
UN	United Nations
UNFCCC	United Nations Framework Convention on Climate Change
WBCSD	World Business Council for Sustainable Development

A note on style: Within the report, any cited evidence in double quotation marks are direct quotes from interviews we conducted. Single quotation marks indicated we have quoted a document, website, report or news article.

Executive Summary

Climate change has been recognised as one of the greatest challenges of the 21st Century. Its impacts, and they way that we choose to deal with them will profoundly affect how business and society operates. This report focuses on European Union (EU) climate policy – the governance structures, rules and regulations that have been put in place at the EU level to attempt to mitigate and adapt to the impacts of climate change. Specifically, it focuses on how trade associations representing industrial sectors or broader business interests have lobbied on EU climate policy, and the impact that they have had on the policymaking process. The report then goes on to discuss whether the impacts of this lobbying align with the stated policies of the companies that are members of these trade associations.

EU climate policy is important; policy set in Brussels impacts on an important trade bloc of 28 member states. The EU has also acted as an international leader on climate policy, which other national and regional governments have used as a template for developing policy – for example, in the establishment of the EU Emissions Trading System (EU ETS). Key climate policies have and are being decided at the EU level, including reforms to the EU ETS; the long-term targets the EU is adopting on emission reductions, energy efficiency and the proportion of power generated by renewables in 2030; and in other key areas such as the extraction of shale gas and the allocation of emissions permits granted to heavy industry in the EU.

Research Methods

We drew upon a number of sources to create this report. This included responses submitted by trade associations to two key consultations on prominent EU policy debates which took place between December 2012 and July 2013. For both consultations, submitted responses are publicly available on the European Commission website:

- The consultation on the Green Paper on a 2030 framework for climate and energy policies (European Commission, 2013a)
- The consultation on structural options to strengthen the EU Emissions Trading System (European Commission, 2013b)

We undertook 10 interviews with staff at trade associations, campaigners at environmental NGOs, representatives of large investment organisations, an electric utility company and a former assistant to an MEP. We reviewed the websites of prominent trade associations and companies, and information that had been voluntarily disclosed by trade associations in the EU Transparency Register[1]. We drew upon the CDP database of self-reported responses from companies to the CDP annual climate change information request in 2013 and 2014[2], and read academic articles, grey literature, and news articles.

We have particularly focused on eight trade associations in this report. They are:

1. BUSINESSEUROPE;
2. Confederation of European Paper Industries (CEPI);
3. EURELECTRIC;
4. EUROFER – The European Steel Association;
5. Eurometaux – The European Association of Metals;
6. European Chemical Industry Council (Cefic);
7. FuelsEurope (formerly known as EUROPIA);
8. International Association of Oil and Gas Producers (OGP).

These groups were chosen on the basis of their prominence, and their recent activity in the public climate change dialogue at the EU level.

Findings

Climate policy matters to business.

This report finds that climate change matters to businesses; the latest IPCC report and other evidence clearly lays out the severe consequences of climate change for the global economy. Businesses acknowledge that they face a number of risks from climate change: from physical risks to operations, reputational risks and (significantly for this research) the risk of regulation related to climate change. The research also suggests that forward looking businesses can create opportunities for new products and services from climate change. EU climate policy is therefore clearly a material concern for many businesses.

[1] We also utilised Lobbyfacts.EU – a website which draws upon the information disclosed in the Register, and assembles it in an easily accessible manner.

[2] CDP is an international, not-for-profit organisation backed (in 2014) by 767 investors worth over $92 trillion. It requests standardised climate change, water and forest information from some of the world's largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as 'CDP signatories'. CDP offices around the world target the largest companies in their country or region with the climate change information request – for example, the largest 500 companies in Japan, and the largest 100 companies in Central and Eastern Europe. The dataset produced by CDP contains a range of self-reported quantitative and qualitative data from 2,323 companies that reported to CDP between February and June 2013 (including 403 of the Global 500 – the largest 500 companies in the world) and 2,292 companies that reported to CDP in 2014 (including 411 companies in the Global 500).

Businesses use trade associations to lobby on climate policy.
Data voluntarily reported by companies and collected by CDP shows that of all the mechanisms available to them, businesses most frequently use trade associations to influence climate policy. The CDP data shows that 61% of all companies responding to CDP, and 77% of the largest 500 companies in the world, said that they utilised trade associations to lobby on climate policy. We found from interviews that companies derive a number of benefits from being members of trade associations, including:

- Trade associations represent the 'voice of business', or of particular industrial sectors, and act as a convenient, accessible aggregator of opinion for those sectors. Policymakers tend to give greater weight to the views of trade associations than they do to individual companies; trade associations often claim to represent tens or hundreds of thousands of jobs, and a large percentage share of particular markets, and are perceived to have a more impartial perspective than particular companies.

- Trade associations allow companies to utilise their specialist knowledge and contacts in policy arenas (like the EU) where they may not have the expertise or resources to lobby effectively.

- Companies may represent the trade association at meetings with policymakers, and second members of staff to trade associations to put forward their views

- Trade associations provide a forum for information sharing and discussion with both trade association officials and other companies.

Among all of the different groups that we interviewed (including representatives from trade associations, NGOs, an investor, a utility company and a former assistant to an MEP) there was a consensus that trade associations can be very impactful lobbyists on climate policy – depending on the issue, the history of the trade association and the way it organises it's approaches to policymakers. Although it can be difficult to disentangle the impact of trade associations from other policy / political considerations, recent policy debates that European trade associations appear to have influenced include the 2030 framework for climate and energy policies, the structure of the new European Commission and the EU Carbon leakage provisions.

Trade Associations use a variety of tools and mechanisms to exert influence over EU climate policy.
Although it is difficult to assess how trade associations operate when much lobbying activity is conducted in private, the interviews we carried out (with representatives of trade associations and others) provided evidence of a number of tactics that trade associations utilise. These include:

- Establishing key relationships and briefing policymakers;
- Shaping the policy agenda at an early stage, including pushing new policy initiatives and agendas within the European Commission, Parliament and Council of Europe;
- Utilising companies and other stakeholders to drive messages home – for example, through organising meetings and dinners between CEOs of large companies, and EU Commissioners;
- Press work, publishing open letters and adverts;
- Writing briefing papers and formal letters, and sharing information with policymakers and companies;
- Events involving policymakers and technical policy experts;
- Providing technical information and advice – as one representative of an NGO noted, "the further you get into the detail, the more technical it gets, so the more opportunities to lobby";
- Trade associations may also benefit from the 'revolving door' between the public and private sector, which allows former trade association officials to be placed in policymaking bodies.

Trade associations for energy-intensive sectors and the fossil fuel industry utilise a variety of arguments to shape climate policy.

We analysed formal responses to EU policy consultations submitted by trade associations on two policy areas - the EU's 2030 framework for climate and energy policies, and structural options to strengthen the EU Emissions Trading System. We also drew upon position papers and press releases on the trade association's websites, news articles, and reports and commentary from third parties including environmental NGOs. The following arguments were used by trade associations representing energy-intensive sectors and broader business interests (eg BUSINESSEUROPE) in response to climate policy proposals:

- Arguing that the EU should not take unilateral action on climate change – for example, BUSINESSEUROPE 'opposes any unilateral increase of the emission reduction target for 2020 unless other industrialized countries assume comparable emission reductions and developing countries put in place measures to fight climate change with their respective capacities'.

- Raising the spectre of deindustrialisation, 'carbon leakage' and job losses, with several energy-intensive industries co-signing a letter that said 'we are still too often faced with Commission initiatives that undermine our industrial competitiveness. Europe faces an 'investment leakage' trend, with new investments in manufacturing sectors increasingly taking place outside Europe notably because of the high costs of energy and climate policies.'

- Arguing that the EU had to balance climate issues against competitiveness and 're-balance' objectives on energy supply, cost effectiveness and climate change.

- Requesting that subsidies for renewable energy should be ended to allow 'equal treatment' for all generation methods. In addition, a few trade associations argued that shale gas should be exploited. For example, the International Association of Oil and Gas Producers (OGP) stated that 'natural gas from shales is potentially an opportunity for Member States to further diversify their natural gas supply sources'.

- Stating that the proposed reforms of the EU Emission Trading System in the Commission's report on 'The state of the European carbon market in 2012' were undesirable; BUSINESSEUROPE, Cefic, CEPI, EUROFER, Eurometaux and OGP all took positions broadly in keeping with the view that 'backloading' and other structural reforms were undesirable, with CEPI calling on the European Commission and member states to 'thoroughly think through structural changes to the EU ETS, instead of a short term fix.'

- Proposing that a single GHG emissions target should be agreed by member states for the EU 2030 climate and energy framework, with an end to energy efficiency and renewable energy targets seen in the EU 2020 framework.

- Supporting the completion of the internal EU energy market.

It should be noted that not all trade associations utilised these sorts of arguments; for example, EURELECTRIC (the association for the electricity industry) argued in favour of 'an economy-wide 2030 emissions reduction target of at least 40% compared to 1990' and said that 'showing the world that the EU remains committed to a long-term strategy of driving carbon reduction through a strong ETS is crucial to securing a global level playing field in climate action.'

Member companies need to assess if the positions of their trade associations are undermining their own stance on climate change.

Investor and civil society actors have recently expressed concerns about misalignment between companies and their trade associations on climate policy. They have argued that direct lobbying by companies, and their indirect lobbying via trade associations, is undermining the long-term economic security and

value of those companies in favour of short-term policy wins. All of the trade associations profiled in this report had publicly available statements about their commitment to dealing with climate change, but NGOs and others expressed scepticism about the depth of this commitment. A solution to the problem of corporates offering a 'fractured', unaligned or contradictory voice on climate change has been calls from NGOs and UN agencies for companies to align their sustainability policies with their lobbying activities – in part by better managing the trade associations who lobby on their behalf.

It is also interesting to note that some companies are members of trade associations lobbying in the EU on climate policy, but are also members of high-profile sustainability initiatives. For example, BASF are a member of CEFIC – the trade association that rejected the need for 'backloading' of the EU Emissions Trading System. They are also members of the World Business Council for Sustainable Development (WBCSD), a 'CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.'

How trade associations collate their members' views

Trade associations are structured in a variety of different ways, and the mechanisms they use to represent their members vary a great deal. Many trade associations seem to adopt broad, less-specific policy positions in order to get near to consensus, but companies may still express dissent in a number of ways – including internal discussion within trade association working groups; publicly stating the difference between their position and the trade association; and briefing against the trade association or leaking documents.

Both NGOs and the investor we interviewed criticised some trade associations for over-reaching their remit and only representing a narrow section of members in opposing climate policy, although trade associations repeatedly emphasised that their policies and lobbying were all led by demand from, and with input from, member companies. The dominance of large, powerful and influential companies within trade associations was acknowledged by trade associations, NGOs and investors.

Conclusions

Climate change presents a range of risks and opportunities for businesses, including those presented by the introduction of policies to mitigate climate change, and robust regulation of polluting companies. Companies operating in the EU have recognised that trade associations can be a powerful tool for influencing policymakers, and are utilising them to engage with EU climate policy. It is clear from the CDP data that for better or worse, companies and their trade associations are actively engaging with policymakers to try and mould EU climate policy.

In particular, the energy-intensive industry lobbies, producers of fossil fuels and broad-based trade associations (such as BUSINESSEUROPE) are all actively engaging with policymakers on various climate policy issues, utilising a range of arguments about competitiveness and the risk of 'carbon leakage' – and these trade associations are having an impact on issues including the targets in the EU 2030 climate and energy framework, the carbon leakage allowances and even the structure of the European Commission.

The important role of companies in European climate policy is unlikely to change any time soon. As CDP recently stated, 'Like it or not, the strong role of corporate influence in political decision-making is a reality.' (Levick, 2014). Given the huge challenges posed to the EU and countries around the world by climate change, it is most important to ensure that progressive companies are pushing for effective climate policies that help to mitigate the effects of climate change. As Christiana Figueres, Executive Secretary of the United Nations Framework Convention on Climate Change, stated in 2011 while addressing a business audience: "There is a serious group of companies that have a voice that is much louder, that is better funded, and that operates much more in unison and that is still stuck in the technologies and the fuels of yesterday... From our perspective what we really need from visionary companies such as all of you is to have a very active engagement with the policymakers who decide the policy at home and the international policy" (Figueres, 2011). This puts the onus back onto companies (and the investors that own them) to ensure that the trade associations that they are supporting are lobbying on EU climate policy in a way that is clearly aligned with the long-term interests of those companies, the economy and the climate.

Future research topics

Useful topics to explore in greater depth include:

- Research into the positions and direct influence of large multinational companies on EU climate policy would be useful.
- Alignment of companies with the lobbying activities conducted by their trade associations could usefully be investigated in far greater depth.
- The influence of businesses and their trade associations on national governments, who in turn influence EU climate policy.
- Research into many more other groups (beyond the 8 trade associations profiled here) whose positions and influence on EU climate policy could be usefully investigated.

1 Introduction and Research Methods

Climate change has been recognised as one of the greatest challenges of the 21st Century (Stern, 2007). The world is at a crossroads in terms of the action that will be taken to mitigate and adapt to the impacts of climate change; preparations are currently underway for the 21st UN Framework Convention on Climate Change Conference of Parties (COP) at the end of 2015, which many hope will lead to a global climate deal. The impact and effectiveness of a global deal, as well as regional and national policies on climate change will be determined by the willingness of government, business and society to act.

This report focuses on how businesses and their trade associations are affecting EU climate policy. Europe is particularly important in international climate negotiations; the EU is an important player in global negotiations, and Europe is frequently cited as a leader on climate change, with policymakers looking to Europe as a template for climate policy. Key climate policies have and are being decided at the EU level, including reforms to the EU Emissions Trading System; the long-term targets the EU is adopting on emission reductions, energy efficiency and the proportion of power generated by renewables in 2030; and in other key areas such as shale gas and the allocation of emissions permits granted to heavy industry in the EU.

The research questions that this project sought to answer was 'how do trade associations influence EU climate policy? And how well do trade associations represent the views of their member companies on EU climate policy?' The research also explored why climate change matters to businesses; the positions trade associations are putting forward in response to climate policy; and how trade associations collate their members' views.

To answer these questions, we drew upon a number of sources to create this report, including:

- Conducting 5 qualitative, semi-structured interviews with staff at trade associations;
- Conducting 5 qualitative, semi-structured interviews with policy-focused campaigners at environmental NGOs, representatives of large investment organisations, an electric utility company and a former assistant to an MEP;
- Reviewing the websites of prominent trade associations;

- Reviewing the websites and CSR reports of companies that are members of the surveyed trade associations;
- Reviewing information that has been voluntarily disclosed by trade associations in the EU Transparency Register[3];
- Analysing the CDP database of self-reported responses from companies to the CDP annual climate change information request in 2013 and 2014[4];
- Reading relevant academic and grey literature;
- Reviewing online news articles.

We also examined responses submitted by trade associations to two key consultations on prominent policy debates which took place between December 2012 and July 2013, which are publicly available on the European Commission website:

- The consultation on the Green Paper on a 2030 framework for climate and energy policies (European Commission, 2013a)
- The consultation on structural options to strengthen the EU Emissions Trading System (European Commission, 2013b)

We have profiled key trade associations in Chapter 6 of this report. These are:

1. BUSINESSEUROPE;
2. Confederation of European Paper Industries (CEPI);
3. EURELECTRIC;
4. EUROFER – The European Steel Association;
5. Eurometaux – The European Association of Metals;
6. European Chemical Industry Council (Cefic);
7. FuelsEurope (formerly known as EUROPIA);
8. International Association of Oil and Gas Producers (OGP).

These groups were chosen on the basis of their prominence and their recent activity in the public climate change dialogue at the EU level.

[3] We also utilised Lobbyfacts.EU – a website which draws upon the information disclosed in the Register, and assembles it in an easily accessible manner.

[4] CDP is an international, not-for-profit organization backed by 767 investors worth over $92 trillion. It requests standardized climate change, water and forest information from some of the world's largest listed companies through annual questionnaires sent on behalf of institutional investors that endorse them as 'CDP signatories'. CDP offices around the world target the largest companies in their country or region with the climate change information request – for example, the largest 500 companies in Japan, and the largest 100 companies in Central and Eastern Europe. The dataset produced by CDP contains a range of self-reported quantitative and qualitative data from 2,323 companies that reported to CDP between February and June 2013 (including 403 of the Global 500 – the largest 500 companies in the world) and 2,292 companies that reported to CDP in 2014 (including 411 companies in the Global 500).

2 Why climate change matters to businesses

There is a clear consensus that effective policies will be needed to mitigate dangerous climate change, and that a global average temperature rise of above 2°C could have severe consequences for the global climate and economic system. The fifth assessment report from the Intergovernmental Panel on Climate Change – which has been approved by 194 governments – states that without additional efforts, greenhouse gas emissions are expected to increase, driven by growth in global population and economic activities. On current trends, this would result in an increase in global mean surface temperature in 2100 from 3.7°C to 4.8°C compared to pre-industrial levels (IPCC, 2014, p9). The Stern Review outlined some of the consequences of temperature increases at these levels, which includes increased flood risk, rising sea levels but also reduced water supplies; declining crop yields; increased risk of cold-related deaths in northern latitudes, and increased deaths from malnutrition and heat stress worldwide, and severe threats to ecosystems which includes 15-40% of species being threatened with extinction (Stern, 2007, p. vi).

2.1 Risks to business models

Leading businesses are increasingly aware of the risks to their business models posed by these climate risks. For example, British food and drinks retailer ASDA recently reported that 95% of its fresh produce would be affected by changes in the climate throughout its supply chain, and stated that 'whether food sourcing, processing or transportation, there is a risk to all aspects of our operations – just how much this could be is well into the millions of pounds' (ASDA, 2014). Of the largest 500 companies in the world responding to CDP in 2013, 83% stated that they faced physical impacts on their operations from climate change (CDP, 2013, p10). Some businesses are also recognising the market failures that disguise the broader environmental impact of their operations; Puma's pioneering environmental profit and loss account (Puma, 2012), showed that the company and its suppliers were estimated to have caused €145m of environmental damage that year, relative to the €202m net profit that the company recorded in 2009/2010. The Financial Times noted that 'in other words, if Puma expensed the costs to the environment of its activities and those of its suppliers, earnings would fall by more than two-thirds' (McGinn, 2013).

2.2 Risks from regulation

Not all businesses, however, are concerned about climate change because of its direct impact on their operations. Some are more worried about the impact of government and transnational regulation of their operations; 84% of the largest global 500 companies reporting to CDP stated that they faced a risk from regulation related to climate change (CDP, 2013). These regulations could severely impact on fossil fuel and energy-intensive industries. In 2014, a financial services firm stated 'A 450-ppm world would threaten high-cost, high-carbon revenues. Under a global climate deal consistent with a 2°C world, we estimate that the fossil-fuel industry would stand to lose $28trn (in constant 2012 US dollars) of gross revenues over the next two decades, compared with business as usual' (Kepler Cheuvreux, 2014).

The risk to business from policy action at the local, national, or international level is well documented in both the EU and further afield. In their book 'Business and Environmental Policy', Kraft and Kamieniecki state that

> 'It is conventional wisdom that business groups are often leading players in the policymaking process. Why would one expect anything else? After all, businesses can be affected in significant and costly ways by public policy, from provisions of tax laws to regulations on environmental protection… Business interests clearly have a great deal at stake when government considers taking action, and many have the resources to intervene as needed to shape policy decisions.' (Kamieniecki and Kraft, 2007, pp. ix-x).

2.3 Opportunities from a changing climate

Some businesses may see climate policy not as a risk, but as an opportunity. Ceres (2010) describes how businesses are recognising the opportunity to profit from technologies that reduce emissions and create solutions to global warming - and some of these companies are actively calling upon governments at the national and global level to implement comprehensive climate policy, in the hope of opening up new opportunities and markets. The report states that 'Enormous opportunities arise during transformative times. The $6 trillion energy industry – six times larger than the Internet economy – must be retooled to minimize energy use and to achieve a substantially lower carbon footprint. Clean, energy-efficient technologies will power economies for decades to come, and businesses that put themselves out in front will benefit the most. Companies with products and services attuned to the new economy will emerge as winners' (Ceres, 2010).

The sentiments outlined by Ceres are also reflected in the seminal New Climate Economy report, 'Better Growth, Better Climate' (Global Commission on the Economy and Climate, 2014a), which provides evidence on the opportunities for growing the world's economy whilst addressing climate change. Former President of Mexico and Chair of the Global Commission on the Economy and Climate, Felipe Calderón, said the report provides 'compelling evidence on how technological change is driving new opportunities to improve growth, create jobs, boost company profits and spur economic development' (Global Commission on the Economy and Climate, 2014b). Similarly, CDP and WWF (2013) details how businesses that have made efforts to reduce their emissions throughout their supply chains, and that have taken into account the growing demand from consumers for sustainable products and services, have yielded significant returns on investment and important reputational benefits.

2.4 Reputational risk, litigation, and citizen and shareholder campaigns

Businesses may also decide to support or oppose action on climate change due to perceived moral obligations or societal concerns. Ceres describes how a growing number of companies are asserting leadership on sustainability performance to distinguish themselves from their peers, and outlines the importance of companies responding to societal expectations: 'Just as sound business decisions must be based on science it is also important for companies to respond to societal expectations. …In the coming years, the strategies that companies pursue will determine not only their shareholder value, but also the future of our species and our planet. It is at once a daunting challenge and a huge opportunity' (Ceres, 2010, p.7).

Companies also face other, significant risks – particularly fossil fuel industries, energy-intensive industries, and other sectors that will lose out from robust action on climate change. Analysis in an academic paper that attributed two-thirds of historic carbon dioxide and methane emissions to 90 commercial and state-owned entities (including Chevron, ExxonMobil, BP, Shell and ConocoPhillips) concluded that

> 'Regulation, litigation, and shareholder actions targeted at the private entities responsible for tobacco-related diseases played a significant role in the history of tobacco control; one could imagine comparable actions aimed at the private entities involved in the production of fossil fuels, particularly insofar as some of the entities included in this analysis have played a role in efforts to impede legislation that might slow the production and sale of carbon fuels… Identifying who the major carbon producers are, and have been historically, may provide a useful basis for future social and legal pressure'
> (Heede, 2014).

3 How companies engage with climate policy

Businesses face a number of risks and opportunities from a changing climate; and they are responding to this risk by engaging with the policymaking process. Lobbying on policy issues is, by its nature, difficult to track. While groups interested in influencing policy will use mechanisms that operate in the public sphere – for example, they may send out public statements and press releases which illustrate their positions – many of the mechanisms that are commonly used to influence policy (private meetings; sending personalised briefing papers; phone calls and emails) are not transparent, and are difficult to monitor. With a few exceptions[5], this sort of information is not publicly recorded. It can therefore be difficult to assess the exact mechanisms that businesses and their trade associations are using to engage with climate policy. It can also be difficult to check the consistency of business and trade associations' public stance on climate policy with their messages in private meetings.

CDP[6] sends out an annual climate change information request to the largest publicly listed companies in the world covering a variety of topics, from carbon emissions to adaptation strategies. In 2013 and 2014, CDP added a section to their questionnaire on lobbying on climate change policies. Self-reported information – such as that gathered by CDP – has its limitations, but can be useful to investigate how businesses and trade associations publicly state that they influence climate policy.

3.1 How do companies lobby on climate policy?

Companies responding to CDP acknowledged that they influenced climate policy through a number of different avenues, with more businesses stating that they influenced climate policy through trade associations than any other mechanism. In 2014, 61% of all companies responding to CDP stated that they influenced climate policy indirectly through trade associations in 2014, compared to half of

[5] For example, MEPs from the UK Conservative Party publish a register of all of their meetings with lobbyists every quarter, with a brief description of the specific people they met, their organisation and the 'context' for the meeting. This is available at http://conservativeeurope.com/transparency, accessed on 24th October 2014. The new European Commission led by President Jean-Claude Juncker committed on 25th November 2014 to disclosing meetings with European Commissioners, their Cabinets and the Director-Generals of the Commission services, which will include information on the dates, locations, and names of the organisations and individuals they have met, but these rules will only come into force on 1st December 2014. For more information, see the European commission press release, found here: http://europa.eu/rapid/press-release_IP-14-2131_en.htm, accessed on 16th December 2014.

[6] See footnote on p12 for more information about CDP

Table 1: The means through which companies stated that they influenced climate policy in 2013 and 2014

	YEAR	TRADE ASSOCIATIONS	DIRECT ENGAGEMENT	FUNDING RESEARCH	OTHER	DO NOT INFLUENCE
Global 500 (2013 n = 403) (2014 n = 411)	2013	70.9%	61.5%	37.9%	34.2%	8.4%
	2014	76.6%	64.7%	44.76%	42.3%	7.5%
Whole CDP dataset (2013n = 2326) (2014 n = 2292)	2013	52.8%	41.5%	19.9%	26.7%	17.9%
	2014	60.7%	50.1%	23.5%	30.8%	16.4%

the companies who engaged directly with policymakers. Less than a fifth of all companies that responded to CDP claimed not to influence policy processes on climate change in both 2013 and 2014 (Table 1).

A higher percentage of companies in the Global 500 (the largest 500 companies in the world[7]) stated that they use trade associations to make their views heard among policymakers (77% of responding companies in the Global 500), when compared to the whole sample of companies responding to CDP (61% of all responding companies). This indicates that the largest companies are more frequently using trade associations to engage with policymakers on climate change issues.

Even these percentages of companies engaging with policy via their trade associations may be artificially low. When considering the US companies responding to CDP, the Union of Concerned Scientists note that 'many, if not most large companies in the United States belong to trade and business associations and nearly all the major groups are involved in public policy... yet many companies surveyed [by CDP] did not acknowledge policy influence through these groups – suggesting that many companies may be either unaware of, or unwilling to report, the climate policy influence of their trade associations' (Union of Concerned Scientists, 2014, p4). When the Union of Concerned Scientists cross-referenced the answers provided to CDP with the publicly available membership of the boards of four prominent US trade associations that have lobbied on various aspects of policy to tackle climate change, they found that many companies had not disclosed their membership on the board of these associations (Union of Concerned Scientists, 2014, p5). In all four cases under a third of corporates with seats on the boards who were approached by CDP

[7] The Global 500 is a group constructed by Fortune Magazine, made up of the 500 largest companies in the world by market capitalisation. Of these 500 companies, 403 (81%) responded to CDP in 2013, and of these, 396 opted to answer the questions on corporate lobbying. In 2014, 411 (82%) responded to CDP, of which 400 opted to answer the questions on corporate lobbying. For the latest Fortune 500, see http://fortune.com/global500/, accessed on 24th October 2014.

publicly disclosed their board membership, and in the case of the US Chamber of Commerce, only one company (2% of the board members approached by CDP) had disclosed their board membership. These lessons from the US suggest that the answers provided to CDP by companies operating in Europe may also be incomplete, and corporate engagement with climate policy via trade associations may well be greater than stated.

3.2 Why do businesses use trade associations to lobby on climate issues?

Auden Schendler, Vice President of sustainability at Aspen Skiing Company, and Mike Toffel, Associate Professor in the Technology and Operations Management unit of Harvard Business School, have voiced the opinion that effective lobbying represents the greatest impact that a company can have on the environment, stating that 'Compared with companies' efforts to green their operations, corporate political actions such as lobbying or campaign funding can have more influence on environmental protection, and arguably represent the greatest impact a company can have on protecting — or harming — the environment' (Schendler and Toffel, 2011).

The responses to CDP indicate that trade associations are one of the most important (if not the most important) mechanism that companies use to influence the direction of climate policy. Trade associations play several important roles for companies:

Representing an industry voice

Several of the people we interviewed for this project recognised the important role that trade associations can play in speaking to sectoral or business interests. Policymakers are aware of the narrow interests that some companies may be pursuing when engaging with policymakers, and are likely to grant more authority and influence to bodies with a pan-industry perspective. One representative of a trade association stated "the main advantage is…we're not representing a particular sector. We are representing all market participants." Another said that "On the whole, the Commission likes trade associations because we are aggregators for them of opinion, and that saves them a lot of hassle. Rather than meet, say, the 20 biggest [industrial sector companies], they can talk to me". Companies are aware of this; the representative of the electric utility company we interviewed said that individual companies are usually expected to be lobbying in their own interest: "So when an individual company will go in and speak to the Commission, [the Commission are] always aware that there is a very economic interest while they're in their office speaking to them; so they prefer to have a lot wider collaboration and that's much more easily achieved through trade organisations."

Allows companies the opportunity to utilise the trade association's specialist knowledge, established networks and reputation in order to lobby

Setting up an effective lobbying operation in Europe can be very costly and time-consuming for businesses. One of our interviewees described a company they were familiar with, which had 80 people working on corporate affairs, including internal and external communications, media and public affairs. These staff were virtually all focused on their domestic markets, and in Brussels they had "one – a very lonely one" person. Trade associations can provide a cost-effective means for companies to access key decision makers, develop contacts and to understand the legislative agenda in an arena that may otherwise be beyond their reach. One trade association representative told us that trade associations "have a lot of influence… I would say a huge majority of company lobbying is done through associations at EU level. Very few companies will do their own direct lobbying. Only the very big ones. So from a policy maker point of view, from a decision maker point of view, they will generally only see trade association positions and there are lots of them."

Provides companies with the opportunity to act as representative of trade association

Secondments from companies to trade associations seem common; a member of staff at a trade association we interviewed said that "People might move from companies and trade associations. We've got at least three company people on secondment [here]". This allows companies to represent their interests via their trade association. Companies also often hold positions on trade association working groups, which formulate the associations' policy positions. This allows businesses to represent their views from a more credible industry perspective. One NGO said: "There are the permanent staff of the big trade associations and you know who they are but this muddling-up of who's who is, I think … creates an … impression of interchangeability and industry thinks 'X', which can be advantageous to them."

Provides a forum for information sharing and discussion

The officials working for a trade association can provide a convenient means of accessing information, including the overarching policy landscape and the technical detail of issues. A representative of a utility company we interviewed said that "actually a lot of the value of trade associations is not the lobbying they do on particular issues, it's the technical detail. So that's why we're members of [names of associations] because a lot of them are doing technical detail about market design". Meetings organised by the trade association can also provide a useful forum for networking, discussion and debate. One trade association representative (when talking about their working groups of companies within their association) said "It is quite fast information exchange when someone is having some kind of information – so it is good to share it, next time it might

be someone else who is getting some important information. I think it is better to work together". Trade associations can provide information even when the company is going against the line adopted by the association. Another trade association talked about working with a company that opposed the majority opinion of association members: "I, in order to feel I'm doing honourably by them… I obviously share information that's relevant, timetable information, that sort of thing… in the recognition that they will go out and use it to go out and lobby in the opposite direction. That's their right".

3.3 The impact of trade associations

Across all of the people we interviewed (from trade associations, NGOs, a utility company and an investment organisation) the consensus was that trade associations can be very impactful. One representative of a trade association said "we're an important voice in this discussion…and it's a voice that's appreciated by the policy makers and I'd say the Commission in particular." Another added "We are a big voice." This was reinforced by the other parties that we interviewed. The investor we interviewed said "I think they have considerable influence… The impression I get is that a few trade associations have a disproportionate amount of I guess input or influence". One representative of an NGO acknowledged that trade associations could be effective, but caveated this by saying "it varies depending on the trade association, depending on the file, depending on the history".

Trade associations seem to be having a real impact on EU climate policy, with both trade associations and other stakeholders pointing to the impact of (in particular) the associations representing energy-intensive sectors and the fossil fuels industry. Recently this has included influencing:

- **2030 framework for climate and energy policies** – One trade association we interviewed claimed credit for the shape of the EU 2030 targets, as the renewable energy and energy efficiency targets were not binding at a national level: "So I think there has been a real change, when we saw the decision, the conclusions of last Thursday that only one binding target" but added "so I think that message gone through not totally, because we still have three targets" (the renewable energy and energy efficiency targets were retained at a EU-wide level). Perceived low ambition on energy efficiency and renewables was heavily criticised by NGOs, who said the 40% emissions reduction goal was totally inadequate, with the European Environmental Bureau arguing that the target is out of step with climate science (Flynn, 2014a).

- **Structure of the European Commission** - The incoming President of the European Commission has made several changes to the structure of the Commission, including a merger of the climate and energy portfolios, despite an appeal from 25 MEPs to retain separate Directorate-Generals for these positions. In addition, he created a new role of commissioner for 'better regulation', stating that Frans Timmermans of the Netherlands will be the Commission's 'first vice-president' and his 'right-hand man'. According to ENDS Europe, Green NGOs saw the new structure as a signal that environment policy will be side-lined, but industry sources welcomed the decision as pragmatic. Lobby groups for the steel, oil refining, metals and pesticides sector told ENDS they were particularly pleased by the appointment of Mr Timmermans, with a source at one major industry lobby group in Brussels stating that 'We are happy to see that growth and jobs are no longer overshadowed by environment and climate change'. (Davenport, 2014).

- **EU Carbon leakage provisions** - EU leaders agreed to change climate law provisions for the period after 2020 in line with energy-intensive industries' concerns. EU leaders also backed energy-intensive industry's call for allocation of free emissions allowances to be based on actual production rather than on historical levels. Future allocation will 'ensure better alignment with changing production levels in different sectors', the deal states. 'This is what we have requested for many years, even since 2008-09', one Brussels-based industry lobbyist said to ENDS Europe, adding that allocation may be adapted every few years in practice. According to ENDS, Metals association Eurometaux welcomed the deal as a 'first step towards improving the competitive position of Europe's energy-intensive industries', and particularly welcomed 'the Council's clear recognition that work is required to account for our substantial indirect CO2 costs from the EU ETS'. The decisions were also welcomed by steel sector association EUROFER (Flynn, 2014b).

4 How trade associations lobby on climate policy debates in the EU

In this chapter we describe the ways in which trade associations exert influence over EU climate policy. European trade associations exist in all shapes and sizes, and their activities depend, at least in part, on their size and financial resources. One NGO observed that a trade association can even be "one person as an outpost in Brussels… Almost any configurable group you can imagine has a trade association here". Whilst tactics such as the use of legal tools for blocking climate policy and financial contributions to politicians and civil servants are common in the US, some researchers have found differences between the adversarial culture of lobbying across the Atlantic, and the consensus-building, 'soft-spoken' approach employed in the EU. US legislative proposals also have a far lower passage rate than their EU equivalents: Woll states about the US political process that 'with a passage rate of only 11 per cent, it is indeed sensible not to invest too much time on modifying a proposal and to try and oppose it in its entirety' (Woll, 2012). In contrast, the European Commission have estimated that approximately 80% or above of legislation that is proposed in the EU is eventually enacted (European Commission, 2007); which means that aggressive attempts to kill off legislation are less likely to succeed. European companies and trade associations therefore tend not to use the oppositional tactics popular in the US. As one interviewee said, "you are either a team player, or you leave town." For this reason trade associations tend to utilise direct lobbying, coalitions with companies and input of expert opinion to shape proposals and policy measures.

4.1 Establishing key relationships and briefing policymakers

Trade associations see relationships with key policymakers as critical in shaping the policy agenda. One told us that, of current Members of the European Parliament (MEPs), "there are 750-ish of them. Of whom about a tenth know anything about energy or climate or environment, and of those people about one third of them are heavyweights. So actually there's about 25 of them who really matter – these are the coordinators, the chairmen, the National delegation heads, the experts who are…the rapporteurs… I would personally consider myself a pretty crappy lobbyist if I didn't have the mobile phone numbers of all those MEPs, if I didn't know exactly where their offices were, and if I wasn't in email contact with them on a pretty regular basis." Another simply said "I think that the general way of doing this lobbying is that if you meet people and if you know someone better, it is good".

Trade associations frequently highlighted the importance of one-to-one (or small group) private meetings to brief policymakers. One suggested that "the most effective way is to have one-to-one meetings and just explaining what the issue is, highlighting the type of discussion we've had within our membership… It is

useful for the policy makers to hear discussions we've had internally, and then how we've reached the position we got to". Some trade associations considered the importance of informal relationship building: "You might just have an informal coffee just to discuss everyone's understanding… this would not be a formal meeting but a chat."

4.2 Shaping the policy agenda at an early stage

"Clearly, the most influential thing you can possibly do is be in at the start of saying to the Commission, 'Look, we think you've got a policy gap here, we'd like you to do something about it and here's some of our suggestions.'" In this manner trade associations may seek to influence not just policy proposals but the policy agenda itself, before policy options are being considered. A contributor with knowledge of European Parliamentary process said that "all climate environment laws that get passed have input…from trade associations… that's their business, their main business; the Commission – before they even make their proposal – they will run a consultation phase and they will engage with trade associations, so it's institutionalised; and then it's up to the trade associations then how much they engage during the negotiations themselves."

4.3 Utilising companies and other stakeholders to drive messages home

Another mechanism for exerting influence is the use of trade associations' member companies. In 2010, Greenpeace noted that Cefic brought in the CEOs and Presidents of BASF, Bayer, Dow, DuPont, ExxonMobil, Procter & Gamble, Rhodia, Solvay and Shell to lobby Climate Commissioner Connie Hedegaard directly on a proposed increase in the EU emissions reduction target. Energy Commissioner Günther Oettinger was very receptive to the industry and joined its opposition to the new target. He even adopted the industry's language: 'If we go alone to 30%, you will only have a faster process of deindustrialisation in Europe.' (Greenpeace, 2011)

Our interviews confirmed the use of these tactics: "What we sometimes do is that we go and meet the MEPs with a small delegation of our members" said one, and another noted the variety of ways they utilise the influence of companies: "We do indeed bring them in as lobbyists. You know, we've had CEO debate panels in Parliament, we've had CEOs come in and have dinners with Commissioners, and dinners with key MEPs ahead of key decisions etc. etc." These tactics are effective; one NGO observed that "if it's a Danish MEP you're talking to then a Danish company which is a member of your association can go talk to them in the name of the association so it gives you quite a broad

reach and an affinity with people you're talking to." Depending on the political persuasion of MEPs, other groups, such as trade unions, may also be brought in to discuss issues.

4.4 Working with policymakers to swing votes and influence decisions

Trade associations are not always working solely to influence policymakers; sometimes they work alongside policymaker allies to advance particular policies. One trade association described working with a Directorate-General of the Commission to try to put pressure on other players in the Commission "[one Directorate-General] wanted that, they couldn't get it past Commissioner Oettinger in the Commission College, we arranged that we would hit them hard the day the news came out by saying 'this is great, but…'". They added "the closer to closing a legislative deal that you get… the more time intensive lobbying becomes… [we may be] in contact ten times a day in the build-up to a crucial vote".

4.5 Press work

Press work carried out by trade associations may be particularly high profile in the run-up to key decisions. One NGO representative talked about how "in particular the steel industry has been very visible with its statements. They had a letter and they had advertisements, including in the Financial Times for instance, where they have been asking for a continuation of free allocation of emissions allowances to the steel industry but also to other energy-intensive sectors." Major trade associations including Cefic, CEPI, EUROFER, Eurometaux and OGP all put out press statements, position papers or public letters on the EU 2030 emission reduction target and other 2030 targets in the run-up to the October 2014 meeting that decided the final agreed targets. Despite this, trade associations talked about limits to their ability to use the press to reach a broad audience: "I wouldn't say it's the wider public, it's still people who have an interest in our work." Another talked about the limitations of pro-active press work:

> "That starts off as a one-way channel: [trade association] puts out a press release, frankly who cares, but when it goes to the point where something is happening within the political world, and all the carbon market journalists want quotes, or want to know what's going on in more detail, they start phoning you. And some of that I do on the record and an awful lot I do off the record, background briefing, because there's no point in quoting [trade association representative] every week – that gets boring. Much more effective that I say, this is the story, this is the guy you should go to for the best quote."

4.6 Writing briefing papers and formal letters, and sharing information

All of the trade associations we spoke to acknowledged the importance of putting together formal statements and position papers, with one going so far as to say "I would also say that some, most, of my colleagues are much less lobbying that they are writers of position papers." Timing and the importance of policy items determines when formal position papers are formulated: "There is no point in sending letters during the year just for fun, but really when it is near to…a decision". Formal position papers and statements are developed alongside private meetings with policymakers. Emphasising the importance of being directly sent briefing materials, an interviewee formerly employed in an MEP's office said that "We wouldn't look at their press releases. We wouldn't go online to look unless we were very, very interested. So we only see what gets pushed to us."

4.7 Events

A former aide to an MEP said "in terms of actual tactics I think that events are quite effective because you give decision makers a platform to speak and you're there as a captive audience for a couple of hours." They stated that invitations to events like these are likely only to go to 'insiders' and such events are often held in the Parliament "behind closed doors". Friends of the Earth and Corporate European Observatory (2014) highlight an event organised by BUSINESSEUROPE on 7th November 2013 where the CEOs of Arcelor-Mittal, BASF, Bayer, GDF-Suez and others spent the day in discussions and panel debates with Commission President Barroso and other high-level officials, including two Commissioners and the Directors General of DG Enterprise, Clima (climate), Environment and Energy. The day ended with networking over cocktails and dinner.

4.8 Providing technical information and advice

Woll (2012) notes that instead of using confrontational tactics with public officials, European lobbyists typically gain access through expert consultations, and states that advising the European Commission on technical policy matters has 'proven to be the most common and most successful mode of participation of societal actors of all kinds'. An NGO agreed: "the further you get into the detail the more technical it gets, so the more opportunities to lobby." In November 2014, trade unions and transparency groups released a report (ETUC, 2014) criticising the 'persistent over-representation of corporate interests' in European Commission expert groups[8], pointing out that in the Secretariat-General, over 73% of 'independent' experts are actually directly linked to big business interests (ETUC, EPSI, UNI Global Union & Corporate Europe Observatory, 2014).

This lobbying can take a variety of forms, from providing briefing papers to being an expert witness at hearings in the European Parliament. Trade associations can also commission and provide the evidence on which decisions are based; one representative of an NGO said that

> "I was working on fluorinated greenhouse gases and this touches a number of different industries and the industry association for the F-gas manufacturers was represented… They had a lot of data, they sponsored studies, they were networked internationally with their companies… that was a completely different order of lobbying… When policy-makers need to know something about an industry to actually design a policy then the industry is at its most effective as they know the information and the degree to which they can come across as credible… they would be by and large able to steer the direction of that policy for quite a long time."

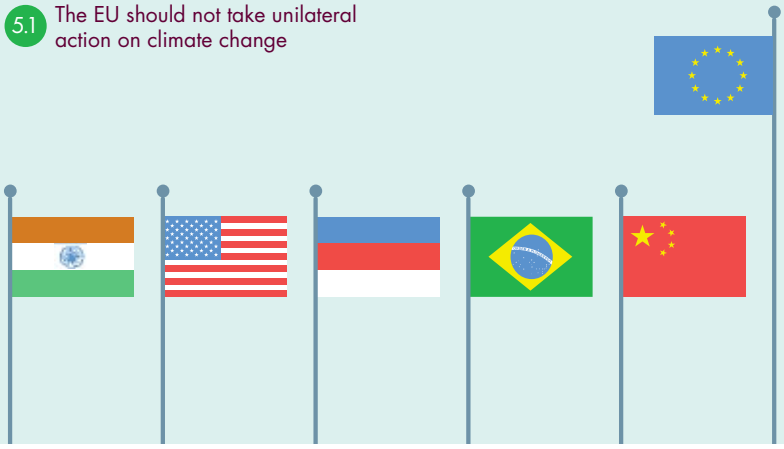
4.9 The 'revolving door' between the public and private sector

NGOs have drawn attention to the 'revolving door' between the public and private sector, which may also increase the influence of trade associations. An example of this is one official (cited in Friends of the Earth and Corporate European Observatory, 2014) who first worked for the European Commission's DG Enterprise and Industry between 2007-2010 in the area of industrial policy and carbon dioxide emissions from cars. He then moved to BUSINESSEUROPE, with specific responsibility for climate change. The official then returned to the Commission in 2011 as a Policy Officer in DG Energy, where he worked on the Energy 2050 Roadmap and subsequently on the 2030 Climate and Energy package.

[8] Expert groups are consultative bodies that advise the Commission on the preparation of legislative proposals and policy initiatives, the implementation of legislation, programmes and existing Union policies, and the preparation of delegated acts. The European Commission states that the "Commission and its services remain fully independent with regard to taking into account the views expressed by expert groups" (http://ec.europa.eu/dgs/internal_market/expert-groups/index_en.htm, accessed 17th December 2014)

5 The positions trade associations are putting forward in response to climate policy

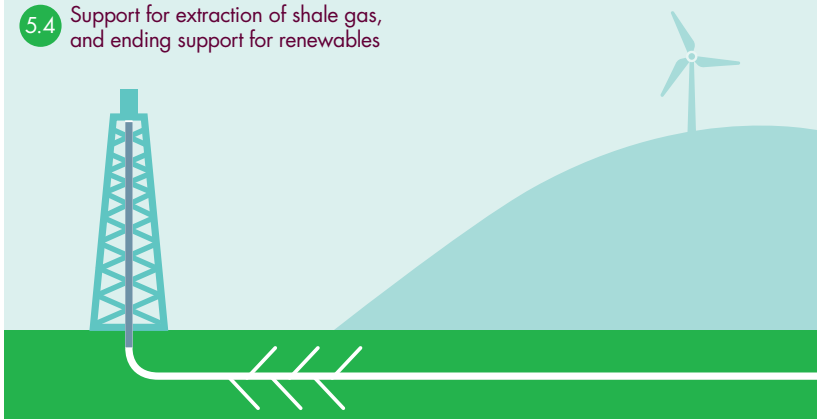
5.1 The EU should not take unilateral action on climate change



5.2 Threat of Deindustrialisation, 'Carbon Leakage' and Job Losses

5.3 Climate vs competitiveness

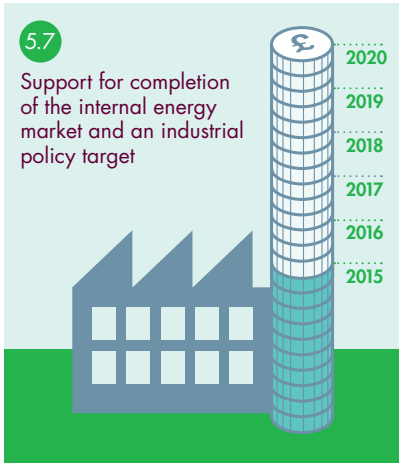
5.4 Support for extraction of shale gas, and ending support for renewables



5.5 EU Emission Trading System reforms are undesirable

5.6 Support for a single GHG emissions target and more research for innovation and technology development

5.7 Support for completion of the internal energy market and an industrial policy target



The efforts required to keep the increase in global average temperature below 2°C will be substantial. According to the IPCC, 'Scenarios reaching atmospheric concentration levels of about 450ppm CO_2eq by 2100 (consistent with a likely chance to keep temperature change below 2°C relative to pre-industrial levels) include substantial cuts in anthropogenic GHG emissions by mid-century through large-scale changes in energy systems and potentially land use' (IPCC, 2014, p13). The recently-released New Climate Economy Report states that the next 15 years of investment will determine the future of the world's climate system, and that without stronger action in the next 10-15 years, it is near certain that global average warming will exceed 2°C – the level the international community has agreed not to cross –with 'extreme and potentially irreversible impacts' (The Global Commission on the Economy and Climate, 2014).

The EU is a major international player and has consistently shown leadership on climate policy. The policies that trade associations support or oppose in Europe can therefore have far-reaching consequences for transitioning the global economy to a more sustainable model, and for the mitigation of climate change. In order to explore the specific detail of the policies that trade associations were supporting or opposing, we selected some prominent trade associations that had responded to two consultations. These were:

TRADE ASSOCIATION	NUMBER OF LOBBYISTS	NUMBER OF LOBBYISTS WITH EU PARLIAMENT ACCESS[9]	TOTAL LOBBYING EXPENDITURE IN YEAR
Cefic: European Chemical Industry Council	75	15	€6,000,000
BUSINESSEUROPE	27	21	€4,000,000 - €4,250,000
International Association of Oil and Gas Producers (OGP)	10	7	€1,800,000
Eurometaux: European Association of metals	8	6	€1,500,000 - €1,750,000
FuelsEurope (formerly EUROPIA)	6	4	€400,000 - €450,000
Eurelectric	7	6	€350,000 - €400,000
Confederation of European Paper Industries (CEPI)	9	4	€300,000 - €350,000
EUROFER: The European Steel Association	1	0	€250,000 - €300,000

Table 2: List of trade associations profiled in this report. All information in this table is self-reported by the associations via the EU Transparency Register, and is for the most recently reported year (as of 16th December 2014).

[9] The website for the European Transparency Register states that individuals on the Transparency Register may be granted access rights to the European Parliament for up to 12 months. Individuals with access rights may obtain a daily access card to enter the European Parliament from the reception desks in Brussels and Strasbourg. For more information, see http://ec.europa.eu/transparencyregister/info/consult-register/requestEp.do?locale=en accessed on 16th December 2014.

Below we profile and categorise responses from sampled trade associations to two European Commission consultations on significant pieces of climate policy:

- The consultation on the Green Paper on a 2030 framework for climate and energy policies, which was open for submissions from 28th March 2013 to 2nd July 2013 (European Commission, 2013a);
- The consultation on structural options to strengthen the EU Emissions Trading System which was open for submissions from 7th December 2012 to 28th February 2013 (European Commission, 2013b).

These publicly disclosed consultation responses provided us with a comparable group of written statements by prominent trade associations, all submitted within the same timeframe. To supplement these, we drew upon position papers and press releases on the trade association's websites, news articles, and reports and commentary from third parties including environmental NGOs.

The following trade associations put forward this argument:

- BusinessEurope
- Cefic
- CEPI
- Eurofer
- Eurometaux
- FuelsEurope
- OGP

5.1 The EU should not take unilateral action on climate change.

Many of the trade associations – particularly those in energy-intensive sectors – argued that the EU should not take unilateral action on climate change, and that emissions reduction targets should only be increased in the case of similar commitments from the EU's major trading partners. Greenpeace notes that after the failure of the Copenhagen climate negotiations, 'carbon-intensive companies in Europe were clear on the next steps. With a letter to the heads of EU institutions in January 2010, a business coalition – spearheaded by the European Chemical Industry Council (Cefic), the European Confederation of Iron and Steel Industries (EUROFER) and BUSINESSEUROPE – insisted that the EU refrain from taking a global leadership position on climate change, rejecting any further progressive action.' (Greenpeace, 2011). Trade associations such as Cefic have used the relative size of Europe's emissions compared to total global emissions to argue that pursuing an ambitious carbon target would penalise the region disproportionately in return for relatively little environmental benefit. In their consultation responses, BUSINESSEUROPE, Cefic, CEPI, EUROFER, and Eurometaux all commented on the need for an international climate agreement and indicated that Europe should not add additional burdens to industry without a global climate deal in place. By contrast, Eurelectric encouraged pro-active policymaking at the EU level on climate change, stating that 'with international negotiations in the UNFCCC proceeding slowly, showing the world that the EU remains committed to a long-term strategy of driving carbon reduction through a strong ETS is crucial to securing a global level playing field in climate action'.

The following trade associations put forward this argument:

- BusinessEurope
- Cefic
- CEPI
- Eurofer
- Eurometaux
- OGP

5.2 Threat of deindustrialisation, 'carbon leakage' and job losses

Several trade associations stated that climate policies would raise the costs of doing business in the EU to a prohibitive level, resulting in slowed growth and layoffs. Some trade associations explicitly highlighted the risk of job losses from the contraction of activity in energy-intensive sectors in their consultation responses. For example, OGP 'urges EU policymakers to carefully weigh up the impact of new policies in terms of estimated 'green job' creation vs. the loss of industrial competitiveness and existing jobs in other sectors' (OGP, 2013). An interviewee from a utility company recognised this, saying "On climate policy obviously it's the heavy industry energy-intensives which will go and be listened to as they have a very, very salient political message that they will say every time and that's jobs. So it's the classic flag that they will wave at every given time. You know, 'What about the jobs?' and people listen."

Trade associations also repeatedly raised the threat of 'carbon leakage', 'investment leakage' or deindustrialisation – whereby new energy-intensive industry facilities are opened outside Europe due to high energy costs in the EU. BUSINESSEUROPE wrote to President of the European Commission José Manuel Barroso in January 2014 to urge the European President that the forthcoming climate and energy package be 'compatible' with industrial competitiveness. The letter contains stark warnings of the likelihood of carbon leakage, noting that 'we are still too often faced with Commission initiatives that undermine our industrial competitiveness. Europe faces an 'investment leakage' trend, with new investments in manufacturing sectors increasingly taking place outside Europe notably because of the high costs of energy and climate policies.' The letter added that 'it would be extremely damaging if the Commission proposed simultaneously a communication focused on how to improve our competitiveness and a climate and energy package containing measures undermining that goal'(BUSINESSEUROPE, 2014a).

Trade associations including Cefic, Cembureau, CEPI, EUROFER, FuelsEurope and Eurometaux have also lobbied strongly on carbon leakage. In September 2014, they sent a joint letter to the Heads of State and Governments of the EU Member States ahead of the EU decision on the 2030 climate and energy framework, arguing that 'The EU should focus on promoting recovery and growth of industrial production in Europe… Current carbon leakage provisions under the EU Emissions Trading Directive, if not revised rapidly, will result in a huge shortage in free allowances and increasing direct and indirect costs… our industries are expected to face **hundreds of billions of Euros in direct costs and costs pass through in electricity prices**' - emphasis in original (Cefic et al, 2014). The letter went on to call for confirmation 'that carbon leakage measures will be continued after 2020, as well as outlining the principles for the level of protection in order to safeguard predictability, investment certainty, jobs and growth in Europe.'

5.3 Climate vs. competitiveness

The following trade associations put forward this argument:

- BusinessEurope
- Cefic
- CEPI
- Eurofer
- Eurometaux
- FuelsEurope

In their responses to the consultations, many of the trade associations contrasted the optimism of 2007 (when the 2020 climate and energy targets were agreed) with the economic uncertainty seen across much of Europe in 2012/13. A common approach across was for respondents to agree with the threat climate change poses before going on to describe their worries about the economic condition of Europe both in isolation and in relation to its major regional trading partners. These concerns were then frequently used to support calls for a 'rebalancing' of the three headline policy objectives of security of supply, climate mitigation and cost-effectiveness. Several respondents complained that undue focus had been given to climate targets, which has had a detrimental impact on economic growth. BUSINESSEUROPE, for example, says that 'Since 2008, Europe has focused energy and climate policy on environmental sustainability. However, major internal and international developments require Europe to "re-balance" the three main objectives' (BUSINESSEUROPE, 2013).

Statements about the need to ensure adequate weight is given to all three objectives were also evident in consultation responses by BUSINESSEUROPE, OGP, Cefic, Eurometaux, FuelsEurope and Eurelectric. As stated by Eurometaux 'The focus cannot simply be on climate change and energy alone; it should also cover industrial policy, competitiveness, taxes, trade, competition policy and innovation'. The climate vs. competiveness line of argument was reinforced by the investor we interviewed, who said "I think certainly in terms of how climate and energy policy issues are shaped is significantly influenced by the fact that there's a perception that any carbon pricing, any reduction mechanism is essentially bad for competitiveness… it is influencing both specific policies and the policy narrative, which makes it difficult for any new policy or ambitious policy to come through."

5.4 Support for extraction of shale gas, and ending support for renewables

The following trade associations support the extraction of Shale Gas:

- BusinessEurope
- Cefic
- Eurofer
- OGP

A number of trade associations pushed for the removal or phasing out of renewable energy and energy efficiency targets, and of individual national support schemes for renewables on the grounds that they distort the carbon price set by the EU ETS. They claimed that the removal of targeted support for renewable energy, 'equal treatment' for all power generation methods, and harmonisation of EU-wide policy would allow the market to set the price of carbon most efficiently. Trade groups including BUSINESSEUROPE, Cefic, and OGP also expressed support for development and use of natural gas (including 'sustainable and safe' exploitation

of shale gas) as an important alternative energy source. OGP stated that 'natural gas from shales is potentially an opportunity for Member States to further diversify their natural gas supply sources, while lowering overall GHG emissions and stimulating economic growth.' By contrast, Friends of the Earth Europe have stated that 'The IPCC and the International Energy Agency, among others, have warned that the widespread development of shale gas at the global level would have a negative climate impact.' (Friends of the Earth Europe, 2014).

5.5 EU Emission Trading System reforms are undesirable

The following trade associations sput forward this argument:

- BusinessEurope
- Cefic
- CEPI
- Eurofer
- Eurometaux

There was strong agreement amongst the consultation responses from trade associations that we analysed (with the exception of Eurelectric) that the proposals contained in the Commission's report on 'The state of the European carbon market in 2012', were short-term measures that would address neither a) the structural shortcoming of the EU ETS, b) the needs of business, nor c) emissions after 2020. The former assistant to an MEP that we interviewed recalled of the backloading debate that many trade associations "were mainly asking for MEP's to vote against the backloading measures, so they wanted to kind of kill the carbon market whilst it was already on its dying knees really… I guess they just smelled blood and they really put all their efforts behind trying to [make it] really, really toothless."

BUSINESSEUROPE, Cefic, CEPI, EUROFER, Eurometaux and OGP all took positions broadly in keeping with the view that backloading and other structural reforms were undesirable, with CEPI calling upon the European Commission and member states to 'thoroughly think through structural changes to the EU ETS, instead of a short term fix'. By contrast, Eurelectric was supportive of ETS reform. Of the trade associations analysed, there were only two (Eurometaux and FuelsEurope) who suggested that the EU ETS is currently functioning as designed, with supply and demand setting the price. FuelsEurope argued against the retiring of allowance in phase 3 of the EU ETS 'because the EU ETS is currently responding to the economic conditions in Europe and therefore working as designed', whilst Eurometaux state that they believe the EU ETS 'functions well as a trading market'.

What were the proposed reforms to the EU Emissions Trading System?

The implementation of the EU Emissions Trading System has been divided into trading periods. The first, running from 2005 to 2007, was intended as a pilot project to prepare for the second phase, which would help to ensure the EU and its member states met their Kyoto Protocol emissions obligations. It only covered emissions from power generators and energy-intensive industries, and almost all allowances were granted to participants free of charge. Over-allocation of allowances and reduction of emissions by participating firms pushed the price of allowances down almost to zero (European Commission, 2014a). The financial crisis and subsequent recession reduced aggregate demand within Europe's economy during the second phase, from 2008 to 2012, causing downward pressure on the carbon price despite a 6.5% reduction in the overall number of allowances (European Commission, 2014b).

The current trading period, which lasts from 2013 to 2020, has seen a steady transition towards auctioning of allowances rather than free allocation, and operates under a single EU-wide cap instead of the previous system of national caps. The earlier build-up of a surplus of 2.1 billion allowances within the system was responsible for the low carbon price, and the European Commission launched a consultation from late 2012 to early 2013 to hear views on a number of proposals designed to reduce this ongoing structural excess over the long-term (European Commission, 2014c). The quotations in this chapter are taken from publicly-available responses to the consultation run from late 2012 to early 2013. The short-term approach, given final approval by the European Parliament in December 2013, was to postpone the auctioning of 900 million allowances until 2019-2020. Known as 'backloading', this restriction of supply – temporarily, as the same number of allowances will be available over Phase Three – was intended to tighten the market and push up the carbon price, and was implemented in March 2014.

The following trade associations put forward this argument:

- BusinessEurope
- CEPI
- Eurelectric
- FuelsEurope
- OGP

5.6 Support for a single GHG emissions target and more research for innovation and technology development

With the exception of Cefic, EUROFER and Eurometaux (whose position was unclear), all other trade associations suggested that the EU should set an overall climate ambition for 2030 based on a single GHG emissions reduction target (even in the absence of an international climate agreement). In the consultation responses to the EU 2030 Framework, all trade associations analysed made reference

What was the EU 2030 Framework?

In March 2013, the European Commission published a Green Paper on the proposed EU '2030 Framework'. The aim of the 2030 Framework was to make the European Union's economy and energy system more competitive, secure and sustainable, and follows on from the EU's first package of climate and energy measures which were agreed by national leaders in the EU in March 2007 – the so-called '20-20-20' targets. The 20-20-20 targets set three objectives for 2020:

- 20% reduction in EU greenhouse gas emissions from 1990 levels
- 20% rise in the share of EU energy consumption produced by renewable sources
- 20% improvement in the EU's energy efficiency

The aim of the Green Paper was to consult stakeholders to obtain evidence and views to support the development of the 2030 Framework. In this chapter we outline the responses from a number of selected trade associations to the European Commission's Green Paper on the 2030 Framework. It should be noted that these responses were submitted between March and July 2013, before an agreement on the targets was made. The Green Paper did not outline specific proposals for targets and features of the new framework but rather sought feedback to build on the experience and lessons from the original framework. Hence, responses from the trade associations were made with the view that all aspects of the policy framework were open to discussion and debate.

to inefficiencies arising from multiple, overlapping targets in the current framework, and were subsequently broadly opposed to energy efficiency and/or renewable energy targets for 2030. BUSINESSEUROPE, Cefic, CEPI, Eurelectric, Eurometaux, FuelsEurope, and OGP were all in favour of the EU ETS as the central mechanism for CO_2 emissions reduction. Many trade associations included a great deal of focus on the importance of research for innovation and technology development in a future policy framework. All trade associations analysed suggested that the EU should provide more support for innovation and technology development to address climate change.

The following trade associations supported the development of an industrial policy target:

- BusinessEurope
- Cefic
- CEPI
- Eurofer
- Eurometaux

But it was opposed by:

- FuelsEurope
- OGP

5.7 Support for completion of the internal energy market and an industrial policy target

BUSINESSEUROPE, Cefic, CEPI, Eurelectric, FuelsEurope and OGP all stated the importance of completing the internal energy market through full implementation of the third energy package. With regards to industrial competitiveness, BUSINESSEUROPE, Cefic, CEPI, EUROFER and Eurometaux all expressed support for an industrial policy target (e.g. inclusion of a target for 20% of Europe's GDP to come from industry by 2020 and beyond), whilst FuelsEurope and OGP were explicitly against the use of such targets. FuelsEurope stated that 'regarding the other objectives of the EU energy policy, namely competitiveness and security of supply, EUROPIA [now FuelsEurope] does not consider that binding targets are necessarily the best instrument to promote them'. OGP said that it 'does not consider targets as good instruments to promote or measure competitiveness and/or security of energy supply.'

Table 3: Trade Association responses to European Commission consultation on structural options to strengthen the EU Emissions Trading System

ISSUE	DESCRIPTION	BUSINESS EUROPE	CEFIC	CEPI	EURELECTRIC	EUROFER	EURO METEAUX	FUELS EUROPE	OGP
Short-termism	The proposals are short-term measures that would address neither a) the structural shortcoming of the EU ETS, b) the needs of business, nor c) emissions after 2020	■	■	■		■	■		
Regulatory uncertainty	Investments have been and will be made with the expectation that the regulatory landscape will remain stable – therefore changes should not be made to the ETS.	■	■	■		■			
Market IS working	The EU ETS functions as designed, with supply and demand setting the price						■	■	
Carbon leakage	Reforms will increase the risk of firms relocating production outside Europe	■	■	■		■	■		■
Competitiveness	Increased costs will mean European businesses will not be able to compete globally	■	■	■		■	■	■	
Need for a global deal	Europe should not add additional burdens to industry without a global climate deal in place	■	■	■		■	■		
Technical-economic feasibility	Targets should be based on a bottom-up assessment of what is technologically feasible and economically viable					■			

■ Trade association puts forward this argument
■ Not identified as a key priority amongst sources reviewed.

Table 4: Trade associations' responses to the European Commission consultation about the Green Paper on a 2030 framework for climate and energy policies

ISSUE	DESCRIPTION	BUSINESS EUROPE	CEFIC	CEPI	EURELECTRIC	EUROFER	EURO METEAUX	FUELS EUROPE	OGP
Climate and energy policy objectives	There is a need to balance climate objectives, ensuring that adequate weight is given to all three objectives								
Targets and international climate agreement	Support for a global climate agreement in 2015								
	The level of ambition for targets should be decided within the context of an international climate agreement								
	The EU should set an overall climate ambition for 2030 based on a single GHG target (including in the absence of an international climate agreement)								
	Targets for energy efficiency and renewable energy are not efficient policy mechanisms								
EU ETS	The EU ETS should be the central mechanism for C02 emissions reduction								
Innovation and technology development	The EU should provide more support for innovation and technology development to address climate change								
Energy sources	The development and use of natural gas (including shale gas) is an important alternative energy source								
Internal energy market	Support for completion of the internal energy market (e.g. through full implementation of 3rd energy package)								
Industrial competitiveness	Support for an industrial policy target (e.g. Inclusion of a 20% of industry share in GDP by 2020 and beyond)								

Trade association puts forward this argument
View not expressed on this issue in consultation response
Trade association holds different view

6 How well the activities of trade associations represent the sustainability policies of member companies

The debate about how well trade associations represent their members on climate policy has recently been thrown into the spotlight. On 21st August 2014, Microsoft left the American Legislative Exchange Council (ALEC), leading to speculation this was because of ALEC's opposition to renewable energy (Natter, 2014). The next day, consumer products giant Unilever ended its membership of trade association BUSINESSEUROPE, hinting at tensions with the lobby group's stance on environmental policies by stating that 'we are committed to working with trade associations and likeminded companies who can come together to create tipping points for products and markets. With this in mind it is important we review our memberships on an ongoing basis' (Shankleman, 2014). The former assistant to an MEP that we interviewed noted the change in Unilever's public stance since leaving BUSINESSEUROPE, stating "And you might have seen Unilever… they recently left BUSINESSEUROPE. Since they've left you've seen a huge difference in their lobby asks and they've just come out with a position on 2030 and I nearly fell off my chair when I read it, it's so good… it's better than a lot of governments. Any government I think."

On 22nd September 2014, Google also announced that it was leaving ALEC. The next day Google Chairman Eric Schmidt clarified that this was because of ALEC's opposition to action on climate change. "The people who oppose it are really hurting our children and grandchildren and making the world a much worse place," Schmidt said on NPR's 'Diane Rehm Show' "We should not be aligned with such people. They are just literally lying" (Sneider and Womack, 2014). Yahoo, Facebook and Yelp followed in that week with statements clarifying that they too had let their affiliations with ALEC expire (Nicks, 2014).

6.1 Investor and civil society concerns about misalignment between companies and their trade associations on climate policy

In some cases, investors and civil society actors have become concerned that direct lobbying by companies, and indirect lobbying via trade associations, is undermining the long-term economic security and value of those companies in favour of short-term policy wins. A review of the proxy voting season in 2013 in the US noted that 'Shareholder proposals addressing corporate political

spending and political activities remain the largest issues area for environmental and social shareholder proposal activity for the second year in a row' (Institutional Shareholder Services, 2013). The influence of trade associations that may be misrepresenting the views of companies that are relatively supportive of progressive climate policy is a particular area of concern, with a recent report stating that in the US 'many companies have board seats on associations that hold climate change positions in direct opposition to their own' (Union of Concerned Scientists, 2013). The investor we interviewed echoed concerns about EU trade associations facing similar conflicts.

Some NGOs and investors have criticised trade associations for failing to align with the long-term interests of their members companies. As the investor we interviewed for this project put it: "the point is not that trade associations per se are bad. Our concern is that they are being funded to represent the short-term interests of the sector, which may not ultimately be in the long-term interests of investors, such as ourselves and ultimately our clients, whose money we are stewards of and investing on their behalf." A report into lobbying activities by US companies has stated that the impact of this short-termist or misaligned lobbying can be the defeat or delay of policy efforts to address climate change, which 'has huge implications for government, the economy, public well-being, and the planet' (Union of Concerned Scientists, 2012).

There has been some criticism of the positions of trade associations on climate policy for failing to recognise the interests of their members. For example, Greenpeace have stated that 'even general business associations, such as the US Chamber of Commerce, BUSINESSEUROPE or the Japanese Nippon Keidanren - which often have hundreds of members - lobby against climate change legislation, thereby advancing the interests of a few while claiming to speak on behalf of all their members' (Greenpeace, 2011). This was reinforced by one of the trade association representatives we interviewed, who said that "in my view many of the heavy intensive industry trade associations here in Brussels are a lot more black and white about the world than are the companies behind them."

6.2 The positions of trade associations on climate change

All of the trade associations profiled in this report had publicly available statements about their commitment to dealing with climate change; for example, Cefic (the European Chemical Industry Council) 'strongly supports the international efforts on market based mechanism as [greenhouse gas] mitigation tools' (Cefic, 2012) and the Confederation of European Paper Industries (CEPI) says that 'Sustainability is central to all European paper industry activities and a large proportion of our resources are devoted to ensuring the industry minimises its environmental impacts across the EU' (CEPI, 2011). Some NGOs

have expressed scepticism about the depth of the commitment of some trade associations to mitigating climate change, though, particularly in energy intensive sectors. One NGO told us "In general terms we all… support climate action. The question is, will it be conditional on actions in the international negotiations? What are the details for the allocation of free emission allowances? Is climate action really backed up with clean technology?... the devil is within the detail".

Interestingly, one of the trade association representatives we interviewed said that "You will hear, if you interview some of the energy intensive associations, lots of language about climate. Listen very, very carefully. They acknowledge the challenge, want a stronger carbon price to tackle this. The issue is they never say exactly what for or exactly when. It's a mañana position. And there's lots of weasel wording… When I sit with these people…behind closed doors – what I actually hear is climate denial. Why are we being bothered about this bollocks, why won't it just go away? I know other associations for instance advise their members not to worry about climate policy in the new [Juncker] Commission as it won't exist".

6.3 Responsibility of companies to manage and engage with their trade associations

A solution to the problem of corporates offering a 'fractured', unaligned or contradictory voice on climate change has been calls from NGOs and UN agencies for companies to align their sustainability policies with their lobbying activities; no small feat for organisations like Unilever, which employ over 167,000 people worldwide (Unilever, n.d.). One of the authors of this paper contributed to the Guide to Responsible Corporate Engagement in Climate Policy (UN Global Compact et al., 2013) which concluded that companies should undertake actions in three areas:

- **Identify** – Co-ordinate with internal and external experts to inventory their influences on policy processes, the risks and opportunities for alignment.
- **Align** – Complete internal audit to ensure the company has consistent positions, strategies and investments that align to mitigate climate change.
- **Report** – Transparently disclose the company's positions and actions on climate change – and the outcome of these.

Others have called for businesses to go beyond ensuring internal consistency, and use a clear, consistent message to pro-actively advocate for progressive climate policies. For example, Steve Howard, Chief Sustainability Officer at IKEA, stated in 2013 that:

> 'There is an old expression which is that winners go to market and losers go to Washington. But we now need the winners to go to Washington and Brussels and Beijing to help unlock business innovation and investment to get this problem solved. We have seen there is a silent majority of businesses which want to see effective leadership from government on climate change but they have not known what to advocate for or may have felt it is not their responsibility to do something about. The key is now for business to find its voice … We cannot defend the status quo and at the same time build a sustainable future at pace and scale. The strategic assets of the 21st century will be clean air and clean water and renewable energy; it is not about defending the right to pollute.'
> Steve Howard (Chief Sustainability Officer, IKEA) as quoted in Confino, 2013

This clearly still remains a current area of concern at the time of writing. For example, in December 2014 the Institutional Investors' Group on Climate Change (IIGCC) published 'Investor Expectations: Oil and Gas Company Strategy' which outlined issues they expected investors to raise with oil and gas companies, which included 'Engage with public policy makers and other stakeholders in support of cost-effective policy measures to mitigate climate change risks and support low carbon investments, such as those advocated for in the 2014 Global Investor Statement on Climate Change. Ensure there is broad oversight and transparency about the company's lobbying activity and political spending on this topic and related energy and regulatory issues' (IIGCC, 2014).

6.4 Companies that are members of both trade associations and sustainability initiatives

It is also useful to examine which companies are members of trade associations lobbying in the EU on climate policy, but are also members of high-profile sustainability initiatives. For example, BASF are a member of CEFIC – the trade association that rejected the need for 'backloading' of the EU Emissions Trading System. They are also members of the World Business Council for Sustainable Development (WBCSD), a 'CEO-led organization of forward-thinking companies that galvanizes the global business community to create a sustainable future for business, society and the environment.'[10] Similarly, AngloAmerican are a member of Eurometaux, a trade association that has also opposed backloading, but is a member of WBCSD.

[10] http://www.wbcsd.org/about.aspx accessed on 19th December 2014

Table 5: Companies that are members of trade associations profiled in this report, who are also members of prominent sustainability initiatives

COMPANY	TRADE ASSOCIATION COMPANY IS A MEMBER OF	WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT	BUSINESS FOR SOCIAL RESPONSIBILITY	THE CLIMATE GROUP	CERES
ABB	Eurelectric	■			
Accenture	BUSINESSEUROPE and Eurelectric	■			
AngloAmerican	Eurometaux	■			
ArcelorMittal	BUSINESSEUROPE	■			
BASF	BUSINESSEUROPE and Cefic	■			
BAYER	BUSINESSEUROPE and Cefic	■			
BMW	BUSINESSEUROPE	■			
Borealis	Cefic	■			
BP Group	BUSINESSEUROPE, Cefic, FuelsEurope and OGP	■	■		
Chevron Corporation	OGP	■	■		
Daimler	BUSINESSEUROPE	■			
Diageo	BUSINESSEUROPE		■		
DuPont	BUSINESSEUROPE	■			
Eastman Chemical	Cefic	■			
EDF	BUSINESSEUROPE	■			
Evonik Industries	Cefic	■			
ExxonMobil	BUSINESSEUROPE		■		
Facebook	BUSINESSEUROPE		■		
Ford Motor Company	BUSINESSEUROPE	■			■
GDF Suez	BUSINESSEUROPE	■			
General Electric	BUSINESSEUROPE		■		
Henkel	BUSINESSEUROPE	■			
Hitachi	BUSINESSEUROPE	■	■		
IBM	BUSINESSEUROPE		■		
Intel	BUSINESSEUROPE		■		
Johnson & Johnson	Cefic		■		
Michelin	BUSINESSEUROPE		■		
Microsoft	BUSINESSEUROPE		■		
Novozymes	Cefic	■	■		
Pfizer	BUSINESSEUROPE		■		
Proctor & Gamble	BUSINESSEUROPE and Cefic	■		■	
PwC	Eurelectric	■	■		
Samsung	BUSINESSEUROPE	■	■		

COMPANY	TRADE ASSOCIATION COMPANY IS A MEMBER OF	WORLD BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT	BUSINESS FOR SOCIAL RESPONSIBILITY	THE CLIMATE GROUP	CERES
Sasol	Cefic and OGP				
Siemens	BUSINESSEUROPE				
Solvay	BUSINESSEUROPE				
Statoil	BUSINESSEUROPE, Cefic, FuelsEurope and OGP				
Telefonica	BUSINESSEUROPE				
Toshiba	BUSINESSEUROPE				
Total	BUSINESSEUROPE				
Toyota	BUSINESSEUROPE				
UPS	BUSINESSEUROPE				
Veolia	BUSINESSEUROPE and Cefic				
Volkswagen	BUSINESSEUROPE				

6.5 Profiles of companies and sustainability initiatives

It is interesting to compare the sustainability policies of companies with the lobbying actions undertaken by trade associations that they are members of. In some cases there seems to be close alignment, while in others there appear to be contradictions between the sustainability policies of companies and the policies of trade associations that they are members of. Profiles of the trade associations we have focused on are provided below, with some examples of the sustainability policies of their member companies. All of the trade associations listed below provided input into both of the two key consultations held by the European Commission in 2013: the Consultation on the Green Paper on a 2030 framework for climate and energy policies, and the Consultation on structural options to strengthen the EU Emissions Trading System.

Trade Association Profile: BUSINESSEUROPE

Formed: 1958 (as the Union des Industries de la Communauté européenne, or UNICE)
Based: Brussels
President: Emma Marcegaglia

1. Who does BUSINESSEUROPE represent?
BUSINESSEUROPE describes itself as the leading advocate for growth and competitiveness at European level, standing up for companies across the continent and campaigning on the issues that most influence their performance. They claim to speak for all-sized enterprises including global household names such as Coca-Cola, Nestlé, and Philips, across 35 European countries whose national business federations are BUSINESSEUROPE's direct members.

The organisation states that they aim to work on behalf of their member federations to ensure that the voice of business is heard in European policy-making. They also represent European business in the international arena, 'ensuring that Europe remains globally competitive' (BUSINESSEUROPE, 2014b).

2. What is their position on climate change?
BUSINESSEUROPE's website states that they recognise the challenge of 'ensure[ing] sustainable access to and use of resources without causing environmental problems that disrupt supply-chains, hamper important eco-systems, cause dangerous climate change or negatively affect biodiversity' (BUSINESSEUROPE, 2014c).

3. How do they engage with policymakers?
BUSINESSEUROPE interacts regularly with the European Parliament, Commission and Council as well as other stakeholders in the policy community, mainly through the production of written statements and letters and also formal consultation responses. In January 2014, BusinnessEurope's President and Director General wrote a letter on behalf of its member federations to the President of the European Commission urging him to "ensure that the 2030 climate and energy package is fully compatible with the imperative need of strengthening our industries and restoring Europe as a place for industrial investment." According to their self-reported entry in the EU Transparency Register, BUSINESSEUROPE employs 27 lobbyists, 23 of which have access to the European Parliament.

4. What are they engaging with policymakers on?
BUSINESSEUROPE has drawn criticism from renewable energy companies and green groups in the past for its stance on climate change policy, being

labelled 'old fashioned' and increasingly out of sync with current thinking among progressive businesses on the need for Europe to deliver deep cuts in carbon emissions post 2020 (BusinessGreen, 2014).

In the response to the EU consultation on options to reform the EU Emissions Trading System, BUSINESSEUROPE opposed the 'backloading' proposal on the basis that it would 'undermine the regulatory predictability through to 2020 as established under the EU ETS and further deteriorate the global competitiveness of Europe.' They also stated that 'BUSINESSEUROPE opposes any unilateral increase of the emission reduction target for 2020 unless other industrialized countries assume comparable emission reductions and developing countries put in place measures to fight climate change with their respective capacities.' More recently, BUSINESSEUROPE released a press statement (dated 24th October 2014) in response to key features of the EU energy and climate policy agreed upon post-2020, in which it labelled the 40% emissions reduction target as 'highly ambitious' and called for greater consideration for competiveness. On the final, agreed targets, BUSINESSEUROPE Director General, Markus J. Beyrer, stated that 'EU leaders didn't have the strength to re-orientate Europe's climate and energy policy towards the international competitiveness of EU industry.'

5. Who are their members and are their positions aligned?

BUSINESSEUROPE discloses a list of national trade federations that hold membership of the European body, as well as a list of 63 companies on their 'Corporate Advisory and Support Group.' There is a diversity of different sectors represented on this Group. Although they are not currently listed as partner companies Coca-Cola stated in the CDP information request for both 2013 and 2014 that its position on climate change was inconsistent with BUSINESSEUROPE, because 'for companies it is essential to operate in a predictable EU policy framework which integrates climate protection, energy security as well as competitiveness concerns' and 'the EU's 2007 Climate and Energy Package with its ambitious 2020 targets to reduce greenhouse gas emissions, to increase the share of renewable energy and to improve energy efficiency has triggered a policy and legislative agenda with far-reaching consequences for European companies'. Coca-Cola seems to state that their desire for policy stability cannot be easily aligned with BUSINESSEUROPE's position on climate policy.

The difficulty of agreeing positions within trade associations with broad memberships was also underlined by the response of ArcelorMittal to the CDP information request, which said: 'The National and Regional industry and business associations represent the position of many industries, which don't confront the same technological challenges as the steel industry. An example of this is the energy sector, that could be motivated to increase carbon prices' – something that ArcelorMittal (also a BUSINESSEUROPE member) opposes.

Trade Association Profile: Confederation of European Paper Industries

Formed: 1992
Based: Brussels
Director General: Marco Mensink

1. Who does CEPI represent?
The Confederation of European Paper Industries (CEPI) is a non-profit making organisation which claims to be regrouping the European pulp and paper industry and championing the industry's achievements and the benefits of its products. Through its 18 member countries (17 European Union members plus Norway) CEPI represents some 520 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 940 paper mills. Together they represent 24% of world production of paper (CEPI, 2014a)

2. What is their position on climate change?
CEPI recognises climate change as a challenge and in its 2013 Sustainability Report, states one of its ambitions as to 'help combat climate change and minimise our impact on the environment' (CEPI, 2013).

3. How do they engage with policymakers?
CEPI engages with policymakers through various means such as consultations, press releases, holding events, and meeting with policymakers and legislators. CEPI was a signatory in an open letter from the Alliance of Energy Intensive Industries to the heads of State and Governments of the EU Member States, the European Parliament, the Council of the European Union and the European Commission, demanding immediate protection from carbon leakage. According to their self-reported entry in the EU Transparency Register, CEPI employs 9 lobbyists, 4 of which have access to the European Parliament.

4. What are they engaging with policymakers on?
CEPI has been reported as a leader in developing technological solutions to reduce carbon emissions and address climate change (The Economist, 2013), whilst also advocating for greater policy focus on EU industrial competiveness (CEPI, 2014b)

CEPI explicitly contrasted climate policy and competitiveness in response to the EU consultation on 2030 targets, stating that 'Without a strong industrial policy, climate targets make no sense. So far industrial policy has been laid down in policy documents only, where climate policy has resulted in legislation. This situation needs a rebalance.' In response to the consultation on strengthening

the EU Emissions Trading System, it said that 'We have understood that the EU target of 20% only moves to 30% when an international binding climate change agreement is reached. As these pre-requisites are not there, the Commission would be exceeding its powers if it would propose to increase the 2020 target to -30% within the context of the EU ETS review.'

5. Who are their members and are their positions aligned?

CEPI discloses a list of 4 companies who are 'CEPI Partners', as well as a list of the national trade federations that are part of CEPI. Although they are not currently listed as a CEPI partner, Sappi (a wood pulp and paper company) stated in the CDP information request for 2014 that they had a mixed consistency with CEPI's stance on climate policy, noting that 'The backloading of EU ETS allowances was defeated in the European Parliament on 18 April 2013. While supporting the EU ETS as a policy instrument to meet the EU's climate objectives, the Alliance of Energy Intensive Industries (to which CEPI belongs) was opposed to any modification of the EU ETS rules which would damage further industry's competitiveness. The Alliance of Energy Intensive Industries therefore called for the rejection of the back-loading proposal'. Sappi's declaration that the two organisations' views are not consistent shows that consensus does not always exist either between trade associations themselves, their members, or the pan-European bodies to which they may belong.

Trade Association Profile: Eurelectric

Formed: 1989
Based: Brussels
President: Johannes Teyssen

1. Who does Eurelectric represent?
EURELECTRIC is the sector association which claims to represent the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents. It currently has over 30 full members which represent the electricity industry in 32 European countries.

2. What is their position on climate change?
Eurelectric states that they believe climate change is a major threat which requires urgent action at an international scale. On their website, they state 'we are strongly committed to reducing carbon emissions and meeting the EU's climate targets for 2020 and its 2050 climate vision' (Eurelectric, 2014).

3. How do they engage with policymakers?
Eurelectric puts out a range of publications including briefing, positions papers, reports and consultation responses, as well as organising events and working groups that bring together members. According to their self-reported entry in the EU Transparency Register, Eurelectric employs 7 lobbyists, 6 of which have access to the European Parliament.

4. What are they engaging with policymakers on?
EURELECTRIC has adopted a largely progressive stance on climate policy, arguing in response to the EU 2030 consultation for 'an economy-wide 2030 emissions reduction target of at least 40% compared to 1990, in line with the Commission's Low-carbon Economy Roadmap 2050'. In response to the consultation on reforms to the EU Emissions Trading System, EURELECTRIC called for the EU to show leadership on emissions reductions, stating that 'With international negotiations in the UNFCCC proceeding slowly, showing the world that the EU remains committed to a long-term strategy of driving carbon reduction through a strong ETS is crucial to securing a global level playing field in climate action.'

5. Who are their members and are their positions aligned?
The positions taken by EURELECTRIC seem to be consistent with the positions of its member organisations; for example, American multinational technology and consulting corporation IBM have stated that 'climate change is a serious concern that warrants meaningful action on a global basis'. Similarly, multinational

professional services network PricewaterhouseCoopers claims that although it has a relatively low environmental footprint, believes 'good environmental stewardship is part of an organisation's licence to operate' (PwC, 2015). Another member company, Pöyry, a global consulting and engineering firm focusing on the energy, forest industry and infrastructure and environment sectors advocates for'"committing now to a clear carbon pricing framework to deliver the next phase of power sector decarbonisation to 2030 and pursuing policy initiatives that support the effectiveness of carbon pricing' (Pöyry. 2013).

Trade Association Profile: EUROFER

Formed: 1976
Based: Brussels
Director General: Axel Eggert

1. Who does EUROFER represent?
EUROFER state that they represent 100% of the steel production in the EU, and its membership consists of national trade associations and individual companies. The industry in Europe has an annual turnover of €170bn and directly employs 350,000 people (EUROFER, 2013a)

The EUROFER entry in the EU Transparency Register (2014a) states: 'The objectives of EUROFER are to provide information, services and guidance to its members related to European and international policy affairs and political, economic and market analysis, and providing guidance for the implementation of EU legislation'.

2. What is their position on climate change?
EUROFER acknowledges the threat of climate change and points to how, since 1970, the steel sector in Europe has halved its emissions per tonne produced (EUROFER, 2013b). It nevertheless argues that if ambitious climate policies are pursued in the absence of global level playing field, this will simply serve to export growth and jobs to other regions. Moreover, they argue that European steel producers are among the most efficient in the world, and pushing them to areas with less stringent environmental regulation would be likely to create a net rise in emissions.

3. How do they engage with policymakers?
EUROFER takes part in formal lobbying in the shape of stakeholder workshops, stakeholder consultations, press releases, position documents and technical documents. It also carries out more personal lobbying activities such as bilateral meetings with Directorate-Generals in Brussels. According to their self-reported entry in the EU Transparency Register, EUROFER has one lobbyist, with no access to the EU Parliament.

4. What are they engaging with policymakers on?
EUROFER is engaging with key decision-makers on major issues around structural reform of the European carbon market, and EU energy and climate policy to 2030. With the price of steel set globally, and producers in developing countries facing lower costs, EUROFER feels that any policy revisions to the carbon market (such as backloading or retiring allowances) would unfairly penalise an industry

that is already operating very close to its technical limits. It estimates that, instead of the 43% reduction objective in the Commission Low Carbon Roadmap, current technologies would allow for a 10% reduction at most (EUROFER, 2013c). EUROFER also published a letter in February 2014 calling, among other things, for Europe not to 'impose on itself unilateral CO2 reduction targets which no-one else follows' (EUROFER, 2014).

5. Who are their members and are their positions aligned?

A prominent example of EUROFER member company is ArcelorMittal headquartered in Luxembourg, which is the world's largest steel producer. It states that it aims to design products for the low carbon economy, and to reduce carbon emissions from its own production processes – specifically, by 8% by 2020. The views of ArcelorMittal appear largely to accord with those of EUROFER: they support a 'co-ordinated and binding global plan', which should include both developed and emerging economies. Furthermore, this should be based on a bottom-up assessment of what each sector can realistically contribute, without which 'European steelmakers are unfairly disadvantaged at a time when they are least resilient'. The company also engages 'with international bodies to ensure that the debate on issues such as 'carbon cap and trade' schemes is balanced and well-informed', with the objective of ensuring all such schemes are 'appropriate, fair and achievable' (ArcelorMittal, n.d.). ArcelorMittal has stated publicly that the ETS 'will put European steelmakers at a severe economic disadvantage compared with competitors outside the EU, despite the substantial investment by the European steel industry in low carbon steel research' (ArcelorMittal, n.d.).

The Tata Group is an Indian multinational conglomerate company headquartered in Mumbai, Maharashtra, India. It is slightly more ambitious than ArcelorMittal, estimating that its group emissions can be reduced by 10-15% (although no date is given for when these emission reductions would be implemented), (TATA, n.d.). If this is taken as a long term goal, it is not far removed from the EUROFER position on the possible emission reductions that are possible in the steel industry, as Tata's proposed emission cuts is far below the 40% whole economy emission reduction goal put forward by the European Commission – and some of Tata's improvements in efficiency may happen in their operations outside of the EU, which may not be as efficient as European facilities. Tata also describes its strategic collaboration with 'forward-thinking companies and global organisations' such as the UN Environment Programme and the UN Global Compact Caring for Climate Initiative.

Trade Association Profile: Eurometaux

Formed: 1957 (as the Comité de Liaison des Industries de Métaux Non Ferreux de la Communauté Economique Européenne)
Based: Brussels
Director General: Guy Thiran

1. Who does Eurometaux represent?
Eurometaux is the EU association of the non-ferrous metals industry, representing the main EU and international metals producers, EU and international metal commodity groups and national metal federations. The industry covers base metals, precious metals and technical metals, manufactured from both primary and recycled raw materials. The organisation claims to maintain an open and constructive dialogue with the European authorities and international or intergovernmental bodies in all areas of policy and legislation. By doing so, Eurometaux aims to ensure early consultation and promote the industry's views and positions (Eurometaux, 2012).

2. What is their position on climate change?
Eurometaux accepts the need to stop climate change, in principle, stating that 'we are fully committed to active participation in EU efforts to ensure the sustainable use of energy resources and to combat climate change' (Eurometaux, n.d.).

3. How do they engage with policymakers?
Eurometaux engages with policymakers through various means, and was also a signatory in an open letter from the Alliance of Energy Intensive Industries to the heads of State and Governments of the EU Member States, the European Parliament, the Council of the European Union and the European Commission, demanding immediate protection from carbon leakage. According to their self-reported entry in the EU Transparency Register, Eurometaux employs 8 lobbyists, 6 of which have access to the European Parliament.

4. What are they engaging with policymakers on?
Eurometaux has focused strongly on industrial competitiveness, arguing for it to be placed on an equal footing with climate and energy goals. In a recent position paper, shortly before the European Council's 23-24 October conclusions on the EU 2030 climate and energy framework, Eurometaux stressed the importance of ensuring long-term protection and compensation for industries affected by carbon leakage under the revised EU Emissions Trading System (ETS), and stated in response to the EU consultation on the 2030 targets that 'Legally binding climate targets for CO_2 emission reductions should be accompanied by legally binding compensation to carbon leakage exposed industries, arising

from direct and indirect costs due to the EU/ETS, based on actual production' and that the EU should 'allow for the deployment of all energy sources, enabling competitive prices'.

Eurometaux also ferociously opposed to the backloading of the EU Emissions Trading System, stating in response to the EU consultation that 'the European non-ferrous metals industries, as well as other energy-intensive industries in Europe, are now fighting for their survival, carrying significant extra cost burdens in carbon and energy costs. 'Back-loading' and other ad hoc measures to measure the balance of the EUA market will exacerbate the problems for industry without rectifying the weakness of the EU ETS.' They also say that 'The EU ETS functions well as a trading market and the goal of reducing GHG emissions by 20% by 2020 compared to the 1990 level is met. Options to tighten the EU ETS market should only be considered for the next trading period after 2020.' Assertions that the EU currently functions well are strongly contested by green groups and politicians, who note that the carbon leakage list (which provides free allowances to industries seen as at risk from a high carbon price) assumes an emissions allowance price of €30 a tonne, but current levels are far below that, at around €6 per tonne.

5. Who are their members and are their positions aligned?

Prominent members of Eurometaux include Rio Tinto Alcan, one of five product groups operated by Rio Tinto, a leading international mining group. Rio Tinto has stated that it 'recognises that addressing the climate change challenge will require…capital investments and behaviour changes in global energy, transport, industrial, community and infrastructure systems' and that 'At Rio Tinto Alcan, we believe that climate change solutions must ultimately be global and involve all major emitters… recognition of early action can encourage further progress'. Similarly, member company Anglo American states that 'Climate change is a key challenge of our era. We recognise the need to take meaningful action towards addressing its causes, and to help protect our employees, assets, as well as the communities and environments linked to our operations, against its potential impacts.' Asturiana de Zinc is a member of Eurometaux, and its parent company Glencore has stated 'We recognise that climate change issues are part of the political, societal and regulatory landscape in which we operate…. The weight of global scientific opinion on climate change calls for significant reductions in human-generated greenhouse gas emissions (GHG) worldwide' (Glencore, 2015). It is questionable whether Eurometaux's stance on the proposed reforms to the EU ETS and the carbon leakage list help to achieve 'meaningful' or 'early' action on climate change, although the statements about the need for 'global solutions' aligns with the language used by Eurometaux.

Trade Association Profile: European Chemical Industry Council

Formed: 1972
Based: Brussels
President: Jean-Pierre Clamadieu

1. Who does Cefic represent?
Cefic represents 29,000 large, medium and small European chemicals companies, which it states are together directly responsible for employing 1.2 million jobs and account for 20% of chemical production worldwide. It has 640 members and affiliates, consisting of a variety of companies and national trade associations. The entry for Cefic in the EU Transparency Register states: 'The Association shall pursue mainly a scientific purpose by promoting all issues of interest to the chemical industry, in the widest sense, in Europe and in the countries where it operates, and its contribution to sustainable development.'

2. What is their position on climate change?
Cefic recognises climate change as an international issues, and 'strongly supports the international efforts on market based mechanism as [greenhouse gas] mitigation tools' (Cefic, 2012). It argues that there ought to be a balance between the economic, social and environmental pillars of sustainability, and that top-down climate targets should only be implemented in the advent of a global deal. Otherwise, targets should be based on bottom-up feasibility assessments.

3. How do they engage with policymakers?
Cefic responds to consultations, puts out press releases, hosts events, and meets with policymakers and legislators. According to their self-reported entry in the EU Transparency Register, Cefic employs 75 lobbyists, 15 of which have access to the European Parliament.

4. What are they engaging with policymakers on?
Cefic has opposed action to strengthen the EU Emissions Trading System, stating that 'Cefic rejects the idea of an intervention in the ETS in phase 3 i.e. in the absence of a global climate policy agreement. Such intervention would not improve but directly worsen the measures against carbon leakage without any environmental need' and has clearly stated that it believes a strong EU climate target should only be put in place if there is agreement among all of the region's competitors, asserting that the EU should 'set a top-down climate target conditionally only in case of a substantial global agreement with comparable burdens for industry worldwide. In the absence of a global agreement provide bottom-up calculations to define a realistic, cost-efficient range for a climate goal, taking scenarios into account.'

5. Who are their members and are their positions aligned?

There is a question around whether Cefic's positions represent the interests of its members. For example, Veolia Enviroment S.A. has stated that 'Climate change is largely the result of an economic model made popular since the Industrial Revolution of the 19th century, rooted in the extensive, linear consumption of natural resources, especially fossil fuels. The now-acknowledged effects of climate change provide ample proof that this model is untenable from an environmental, economic and social standpoint.' Similarly, Bayer in the UK/Ireland region is part of the global concern Bayer AG, based in Leverkusen, Germany. The company works across three business units – HealthCare, MaterialScience and CropScience. On its website, BAYER states that 'We take climate change as an environmental and economic challenge seriously. It affects the foundations of our commercial activity… endeavours in the field of environmental protection have to be strengthened…[and] greater attention needs to be paid to innovative solutions to deal with the consequences of climate change.' (Bayer, 2014).

The difficulties of aligning a serious corporate policy on addressing climate change with some of the positions adopted by Cefic is illustrated by Unilever, who said in response to CDP that 'Cefic's position on climate change is more or less consistent with our own. We are aligned with respect to our understanding of the importance of climate change and the need for action, but we are not aligned on some specific issues, particularly the need for 'backloading' to strengthen the EU Emissions Trading System.' The importance of corporate leadership is emphasised by an American multinational Johnson & Johnson, which manufactures medical devices, pharmaceutical and consumer packaged goods manufacturer, which has expressed the view that 'Until effective public energy policies are in place to reduce GHG emissions, companies should lead by implementing voluntary reductions of GHG's within their control. Companies should continually strive to improve the energy efficiency of their operations, products, and services' (Johnson & Johnson, 2012).

Some of the positions put forward by member companies do align with statements by Cefic; for example, Norwegian multinational oil and gas company Statoil supports the efforts of the UN and its member states to agree on and implement necessary climate measures to reach the required global ambition level to prevent dangerous anthropogenic interference with the climate system. However it argues that 'Climate policy measures should be predictable, transparent and internationally applied in order to avoid carbon leakage, ensure cost effectiveness and create a level playing field in global markets' (Staoil, 2014). This aligns with Cefic's statements about the importance of the EU only setting ambitious climate targets if its major trading partners adopt similar measures.

Trade Association Profile: FuelsEurope

Formed: 1989
Based: Brussels
President: Michel Benezit

1. Who does FuelsEurope represent?
Known as EUROPIA until June 2014, FuelsEurope was established to represent the interests of refining companies operating within the EU. It states that its 43 members account for almost all EU refining capacity and three quarters of EU motor fuel retail sales (FuelsEurope, 2014a).

2. What is their position on climate change?
The EU Transparency Register (2014b) states that 'FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU Institutions' It supports the Commission's efforts to mitigate climate change, and welcomes the greater focus on a greenhouse gas target as the key driver for emissions reductions. However, it does not feel that cost-effectiveness and competitiveness have been given sufficient consideration, and believes that a unilateral emissions reduction target of 40% should not be adopted without similar commitments from other parts of the world. Like the steel industry, it claims that a 40% reduction in GHG emissions for ETS sectors is unfeasible (FuelsEurope, 2014b). It also resists any effort to reform the European carbon market on the grounds that regulatory certainty is essential for encouraging long-term investment (FuelsEurope, 2014c).

3. How do they engage with policymakers?
FuelsEurope interacts with policymakers through a range of public channels: for example, responses to consultations and events for industry and policymakers. It also publishes statistical information on its website in order to inform the debate, and produces position papers, press releases, and longer publications, such as reports on the future of European refining. According to their self-reported entry in the EU Transparency Register, FuelsEurope employs six lobbyists, five of whom have access to the European Parliament.

4. What are they engaging with policymakers on?
FuelsEurope has explicitly called for the EU to set its emissions reduction targets based on commitments from other countries and regions, stating in response to the EU 2030 consultation that 'The level of ambition of any target should be set in a transparent way and should take into account the differing pace of commitments by other countries, in order to ensure that EU competitiveness is

maintained'. In response to the EU consultation on reforms to the EU Emission Trading Scheme, it went on to say that 'The EU has committed not to increase its target unilaterally until other developed countries commit themselves to comparable emission reductions, and economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities. Unilaterally increasing the EU's CO2 reduction target will impact the competitive position of the EU economy without having any noticeable impact in terms of global CO2 mitigation'.

5. Who are their members and are their positions aligned?

British multinational oil and gas company BP argues that the scale of the climate challenge is such that governments must act by setting a clear, stable and effective carbon policy framework. Further, that 'a global carbon price should be the long-term goal, but regional and national approaches are a good first step, provided temporary financial relief is given to sectors that are exposed to international competition' (BP, 2015). This would seem to be broadly aligned with the positions of FuelsEurope, but in response to CDP's climate questionnaire, Shell – another major oil and gas firm – stated in both 2013 and 2014 that it had mixed consistency with both FuelsEurope and OGP's stances on climate policy, saying that the trade association supported 'the ETS in the EU but did not support the need for the ETS backloading amendment'.

French multinational oil and gas company Total is broadly in line with FuelsEurope's position on the need for international agreement stating 'Total is in favor of an international agreement on limiting green house gas emissions that would be implemented gradually and would not distort competition among the world's regions' (Total, 2013). Similarly, American multinational oil and gas corporation ExxonMobil appears to be aligned with FuelsEurope in regard to setting emission reduction targets based on commitments from other countries and regions. It states that 'Developing countries already account for more than half of current GHG emissions globally, and by around 2020, cumulative historical GHG emissions from developing and developed economies will be equal. Therefore, both developed countries and the major developing economies need to participate in crafting policies aimed at mitigating global CO2 emissions.' (ExxonMobil, 2015).

Trade Association Profile: International Association of Oil and Gas Producers

Formed: 1974
Based: London and Brussels
Executive Director: Michael Engell-Jensen

1. Who does OGP represent?
OGP states that they work on behalf of the world's oil and gas exploration and production companies to promote safe, responsible, and sustainable operations (OGP, 2014a). Their membership is comprised of private, public and state-owned upstream companies such as Shell, BP and BHP Billiton as well as regional, national or international associations consisting of two or more company members and which are directly concerned with exploration and/or production (OGP, 2014b).

2. What is their position on climate change?
OGP recognises the need to stop climate change in principle, stating in one of their publications that 'the oil and gas industry recognises that the challenges of climate change need to be addressed now, and it is ready to play its role, whilst also meeting growing global energy demand' (OGP and IPIECA, n.d.).

3. How do they engage with policymakers?
OGP engages with policymakers through various means, including policy briefings, events and provision of technical expertise. According to their self-reported entry in the EU Transparency Register, OGP employs 10 lobbyists, of which seven have access to the European Parliament.

4. What are they engaging with policymakers on?
In a recent open letter to the Heads of State and Government of the European Union, OGP's EU Affairs Director stressed the importance of 'a policy that protects the climate and ensures secure, safe and competitive energy for citizens and industries in the European Union' (OGP, 2014c). The letter was written shortly before the 2030 climate agreement took place, and covered many of the same points as OGP's responses to the European Commission's consultation documents, including support for a single greenhouse gas target that could be reached by pricing carbon according to the ETS, and advocating support for oil and gas exploration in Europe. It also urges President van Rompuy to 'put the consumer at the centre' by ensuring technology neutrality. In their consultation responses OGP pushed for the phased removal of all production subsidies, giving proper consideration to the risks posed by carbon leakage.

5. Who are their members and are their positions aligned?
OGP's arguments in favour of extracting shale gas align with the views of its member company BG Group, who state that 'natural gas can make an immediate and material contribution to lowering GHG emissions when displacing more intensive fossil fuels such as coal' and have active shale gas operations in Australian and the USA . By contrast, Friends of the Earth have argued that 'While gas is often promoted as an ideal source of energy for the transition to decarbonising our energy systems, the most recent science has shown that gas production and transportation are far from clean' (Friends of the Earth Europe, 2014).

BHP Billiton also supports a carbon price, saying that 'an effective, long-term climate change policy framework should use a portfolio of complementary measures to reduce emissions and build resilience. This should include a price on carbon that addresses competitiveness concerns'. Likewise, Chevron appears to hold similar views on tackling climate change whilst also being aware of competitiveness concerns: 'As we work to address climate change risks, we must create solutions that achieve environmental objectives without undermining growth of the global economy and our aspirations for a better quality of life for all.'.

7 How trade associations collate their members' views

As detailed in Chapter 6, concerns have been expressed by investors, NGOs and others that trade associations do not represent their member companies' views and interests well when engaging with climate policy. The investor we spoke to attributed this to a lack of clarity on the decision-making process used by trade associations on climate policy issues, stating that

> "it's not always clear whether it's a majority or whether it's consensus, whether there's a sub-committee, which essentially is… the driver of the policy activity, core trade associations, the extent to which they consult members… how they prioritise, etc. And I think that may give them an appearance of greater influence than they should have … is it in fact the entire sector who tell you something or is it certain companies within that sector who, for example, want the status quo to continue, whereas other players would be quite happy with a change in policy or a tightening of the regulation or whatever it might be."

The trade association representatives we spoke to rejected these criticisms, and emphasised the leading role of member companies in the formulation of their plans and policies; one stated "Anything we do is agreed by the membership… everything starts from meetings with members and every position we have is developed from there". Another said "Let's be clear: I do what I do because it's what the members want done; I give the members an early warning about what's coming. I am realistic to them in my advice about what is attainable, positively or negatively. I listen to, aggregate and occasionally prod their views. And then I go out and represent them, yes."

Trade associations are structured in a variety of different ways, and the mechanisms they use to represent their members vary a great deal. Reasons for these variations highlighted by the people we interviewed include the nature of the association's membership, whether it is homogeneous or heterogeneous (i.e. from one industrial sector or many, with companies of different sizes or mostly large firms) and whether there are a large or small number of members, with members from one country or many countries. A strong central secretariat or a more dispersed structure can also impact on how members are consulted.

7.1 How do trade associations lobbying on climate policy in the EU collate, reconcile and represent their member companies' views?

Common mechanisms used by trade associations to gather the views of member companies include working groups, conferences, consultation on wording of letters and position papers, email correspondence and forums. Some operate open structures; for example, one of the trade associations stated that "we have different committees and task forces for each different topic… once we decide this topic is coming up at EU level we should decide how the industry positions itself and what the industry [has] to say on this specific topic and whoever from the members want to take part from this specific task force or committee can decide to join." Others have strong central leadership and chairing. The representative of a utility company we interviewed thought it was pragmatic for some trade associations to have strong central organisation: "A lot of the time it's because they fast-track things because they have a very centralised secretariat and because if they didn't, it would be an absolute nightmare for them because it's just impossible. Right, canvas views of three and a half thousand people… they have a much more centralised structure."

7.2 Broadness vs. specificity of positions

Many of the trade associations we spoke to acknowledged the difficulties of reaching consensus views on issues. One stated that "on some issues my membership have quite mature, firm – determined even – and nearly unanimous views, and on others they are still doing their thinking". Another trade association representative said it is most comfortable when it can produce unanimity on an issue, and commented that "Some of the more recently established associations have quite strong majority rule but are much more relaxed about majority/minority positions… We define it as close to unanimity as we can get. So on our official position papers …there's basically always a footnote that says '[organisation] does not agree with the position stated on this paper.'"

Several of the interviewees we talked to noted the tendency of trade associations to opt for a broad position. One of the representatives of an NGO noted "it is certainly an obvious point to make about trade associations, they make them fairly general points, which are often least common denominator, and are kind of meant to be framing for their general positions but don't often get into a lot of detail and their main job is to prevent something happening rather than starting something happening."

7.3 Consensus and dissent within trade associations

While companies sometimes expressed their dissent from their trade association's positions on climate policy within internal association forums (i.e. privately), others have opted to express their difference of opinion publicly. Some of the companies responding to CDP's information request publicly stated their differences of opinion with their trade associations on climate policy (see quotes from Coca-Cola, Unilever and ArcelorMittal in Chapter 6). Companies may also resort to other tactics to undermine a trade association message or to resolve internal disagreements or power struggles. One representative of an NGO that we interviewed said that "I can think of one case where a trade association was going to, I think it was a letter they were going to send and because there was a debate about it, it got pulled before it got sent. And somebody leaked it to us before it was sent and for all we know, that fact also got known and so they felt uncomfortable sending it but obviously there was a combination of things going on there… somebody actually leaking it to the NGOs as a way of expressing their displeasure so there must be a certain amount of tussling going on behind the scenes."

7.4 Dominant companies within associations

Several of the interviewees noted that particular associations were dominated by big companies. One trade association representative said of their membership "inevitably the big companies have the most manpower and are the ones present. Many of them have their own rep offices here in Brussels". A utility company we interviewed said that resources impacted on a company's ability to monitor an association's activities, as "smaller companies can't even ensure that national trade bodies are saying something so how are they maintaining the national trade associations are feeding into the European trade associations? It takes a lot of resource to monitor all of that information and in reality, it costs money and it costs resources".

The dominance of particular companies and their interchangeability with their trade association was criticised by the representatives of NGOs. One said that "for years we had a kind of formal co-operation with [name of company], which is the biggest member and then occasionally we'd be suddenly in a room where they were [industry trade association]. You know what I mean about these different hats?" Another noted that "It's kind of fluid you know. There are people that will one day be representing trade associations. The next day they will be representing their own company and after that they'll be representing some of the hybrid kind of initiatives and that happens all the time."

Other interviewees stated that particularly engaged and active companies (or representatives of companies who are compelling speakers) could have a significant impact on the agenda of trade associations. A former aide to an MEP said that "The way BUSINESSEUROPE works is they have specific working groups on different issues and they're lead by certain companies … the companies that are most interested are the ones that have the biggest voice." An NGO staff member backed this up, saying that "the details of policy positions by BUSINESSEUROPE are decided in working groups. And for climate and energy policies it is the working group on the industrial policy section of BUSINESSEUROPE and because of that institutional arrangement, it's mainly energy-intensive companies that have the experts sitting in that group… and these are people that are there already for years."

8 Conclusion

Climate change presents a range of risks and opportunities for businesses, including those presented by the introduction of policies to mitigate climate change, and robust regulation of polluting companies. Companies operating in the EU have recognised that trade associations can be a powerful tool for influencing policymakers, and are utilising them to engage with EU climate policy. It is clear that for better or worse, companies and their trade associations are actively engaging with policymakers to try and mould EU climate policy.

The trade associations profiled in this report use a variety of tools and tactics to influence climate policy. The formal and informal relationships they have established with policymakers provide them with a very powerful tool for shaping the policy agenda. Leading trade associations are intervening at the very beginning of the policy process by putting forward policy proposals to the Commission; they are then able to intervene in every subsequent stage of the policy process by commissioning research evidence, providing technical detail to shape policy, briefing journalists, running events, sending formal letters and ensuring that their member companies (and other stakeholders) are brought in to influence decision makers at key points in the policy process. The depth of their engagement with the EU policy process is both impressive and (to some commentators) a source of serious concern.

In particular, the energy-intensive industry lobbies, producers of fossil fuels and broad-based trade associations (such as BUSINESSEUROPE) are all actively engaging with policymakers on various climate policy issues, utilising a range of arguments about competitiveness and the risk of 'carbon leakage' – and these trade associations are having an impact on issues including the targets in the EU 2030 climate and energy framework, the carbon leakage allowances and even the structure of the European Commission.

There is some evidence of misalignment between companies and their trade associations, with high profile departures of member companies from controversial trade associations, including Unilever leaving BUSINESSEUROPE, and prominent tech companies leaving ALEC in the US. The US President Barack Obama recently said 'There's a huge gap between the professed values and visions of corporate CEOs and how their lobbyists operate in Washington. And I've said this to various CEOs… my challenge to them consistently is, is your lobbyist working as hard on those issues as he or she is on preserving that tax break that you've got? And if the answer is no, then you don't care about it as much as you say' (Economist, 2014). But equally, this report has highlighted numerous examples of companies working hand-in-hand with their trade associations on various climate policy issues – sometimes interchanging staff, with companies standing

in for trade associations at key meetings. While some businesses are engaging positively to support the development of effective climate policy, other companies are either (intentionally or unintentionally) obstructing the development of climate policy via their trade associations – sometimes at the same time as nominally supporting sustainability initiatives elsewhere.

The important role of companies in European climate policy is unlikely to change any time soon. As CDP recently stated, 'Like it or not, the strong role of corporate influence in political decision-making is a reality' (Levick, 2014). Given the huge challenges posed to the EU and countries around the world by climate change, it is most important to ensure that companies are pushing for effective climate policies that help to mitigate the effects of climate change. As Christiana Figueres, Executive Secretary of the United Nations Framework Convention on Climate Change, stated in 2011 while addressing a business audience: "There is a serious group of companies that have a voice that is much louder, that is better funded, and that operates much more in unison and that is still stuck in the technologies and the fuels of yesterday... From our perspective what we really need from visionary companies such as all of you is to have a very active engagement with the policymakers who decide the policy at home and the international policy" (Figueres, 2011). This puts the onus back onto companies (and the investors that own them) to ensure that the trade associations that they are supporting are lobbying on EU climate policy, in a way that is clearly aligned with the long-term interests of those companies, the economy and the climate.

Future research topics

This report has focused on the positions of trade associations, but research into the positions and direct influence of large multinational companies on EU climate policy would be useful. Furthermore, the alignment of companies with the lobbying activities conducted by their trade associations could usefully be investigated in far greater depth. During interviews, the influence of businesses and their trade associations on national governments (who in turn influence EU climate policy) was mentioned several times, but would require a separate project to investigate thoroughly.

This short research project allowed exploration of the positions of 8 prominent trade associations in the EU, but there are many more groups whose positions and influence on EU climate policy could be usefully investigated. This includes:

- Cembureau
- International Air Transport Association (IATA)
- International Emissions Trading Association (IETA)
- Euracoal
- Glass Alliance Europe
- Biotechnology Industry Organisation (BIO)
- Carbon Capture and Storage Association (CCSA)
- Central Europe Energy Partners (CEEP)
- European Automobile Manufacturers Association (ACEA)
- European Union of the Natural Gas Industry (Eurogas)
- International Chamber of Commerce
- International Fertilizer Industry Association
- International Petroleum Industry Environmental Conservation Association (IPIECA)
- The European Roundtable of Industrialists
- American Chamber of Commerce to the European Union
- European Energy Forum

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Annex 1 – Quotations from trade association consultation responses to two key EU consultations (December 2012 to July 2013)

Trade Association Profile – BUSINESSEUROPE

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"Europe has to put cost-competitiveness, security of supply and climate objectives on an equal footing."
Targets	"The EU should set a single 2030 emissions reduction target to incentivise investments in low-carbon and energy-efficient technologies. Due to their overlapping scope with the EU ETS, the EU targets for energy efficiency and renewable energy sources should not be continued after 2020."
International climate agreement	"BUSINESSEUROPE strongly supports global efforts to reduce emissions and urges governments and the European Commission to achieve an ambitious international climate agreement in 2015. Whatever the outcome of the international climate negotiations in 2015, the EU should set a binding 2030 emissions reduction target. However, to avoid the negative consequences of unilateral decisions, the EU should take into account the outcome of the negotiations on this agreement when deciding on the most appropriate level of ambition."
EU ETS	"A strong ETS should be the main instrument to reduce emissions for industry and other covered sectors and to promote investments in low carbon technologies."
Innovation and technology development	"A strong, coordinated and focused European energy and low-carbon technology programme is urgently needed. It should upgrade the existing research, development, demonstration and innovation (R&D&I) frameworks at EU and national level."
Energy sources	"Europe needs determination to explore and exploit, in a sustainable manner, potentially highly advantageous unconventional energy resources such as shale gas."
Internal energy market	"Fostering the completion of the internal energy market through full implementation of the Third Energy Package and the development of energy infrastructure as well as cross-border electricity and gas interconnection must be a priority."
Industrial competitiveness	"To ensure political commitment and actions, targets to address the energy price differential with major competitors and to ensure energy security should be introduced."

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Reaction to proposals	"Similarly, all the options proposed within the "Report on the state of the European carbon market in 2012" are only short-term measures that would not provide a comprehensive solution which would stimulate long-term growth and investment in Europe."
Policy objectives	"Business has called for a stable, predictable legislative framework which is indispensable for business' investments." "Short-term measures, such as the ETS "backloading" proposal are opposed by BUSINESSEUROPE as they undermine the regulatory predictability through to 2020"
Carbon leakage and European competitiveness	"Many European businesses – often the most CO2 efficient in their class – compete globally, so it is vital that sectors at risk of carbon leakage are adequately supported on an evidence-based basis. This means ensuring that the free allowance system is working effectively and also considering new options for better supporting European industry going forward such as the recycling of auctioning revenues." "Short-term measures, such as the ETS "backloading" proposal are opposed by BUSINESSEUROPE as they undermine the regulatory predictability through to 2020 as established under the EU ETS and further deteriorate the global competitiveness of Europe."
International climate agreement	"BUSINESSEUROPE opposes any unilateral increase of the emission reduction target for 2020 unless other industrialized countries assume comparable emission reductions and developing countries put in place measures to fight climate change with their respective capacities."
Technology development	"Forward-looking industrial policy must give priority to boosting research and innovation to develop technologies enabling emissions reductions in all sectors. This can best be achieved by improving the research and innovation legal framework and providing adequate financing to EU programmes."

Trade Association Profile – Confederation of European Paper Industries (CEPI)

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"The next policy cycle can only but focus on bringing jobs, saving pensions, creating growth, preventing further social unrest and keeping Europe together." "Without a strong industrial policy, climate targets make no sense. So far industrial policy has been laid down in policy documents only, where climate policy has resulted in legislation. This situation needs a rebalance."
Targets	"A single EU-wide CO2 target brings the most cost-effective economic solution. As options become less available and more expensive, having additional efficiency and renewables targets reduces Member States' flexibility, thus inducing unnecessary costs. Multiple targets interfere with the member states fuel mix choice – which is a national competence. Policies interfering with the functioning of the ETS and the carbon market should be removed."
International climate agreement	"All efforts need to be directed towards a global agreement that leads to comparable burdens for competing industrial installations around the world."
EU ETS	"[CEPI believes in] EU ETS as a central tool in a global level playing field for industry"
Innovation and technology development	"To be able to act on climate change, the focus has to be on technology development. The EU needs to promote breakthrough technology development in industrial processes, in projects, pilots, demo's and implementation. For this the funding, structure and political system are missing."
Energy sources	"The development and use of low carbon technologies requires investments from industry in Europe. Any policy package needs to take this into account."
Internal energy market	"[CEPI believes in] completion of the energy markets."
Industrial competitiveness	"Europe needs a comprehensive package [including] an industrial policy target"

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Reaction to proposals	"CEPI calls upon the European Commission and member states to thoroughly think through structural changes to the EU ETS, instead of a short time fix."
Policy objectives	"To give investment certainty there should be no further changes to the system that are implemented before 2020. 2013 already sees a planned massive overhaul of the EU ETS with new allocation rules. 2014 already has uncertainty with the proposed re-evaluation of free allocation to the industry (the carbon leakage list). The back-loading proposal changes the rules again, announcing even more changes ahead. Regulatory uncertainty becomes a barrier to investments in the EU."
Carbon leakage and European competitiveness	"Retiring allowances from the market pushes carbon and electricity prices upwards. This means increasing compliance costs and energy costs. At a time where Europe is far from recovery from the financial crisis, with difficult access to capital, with the energy prices gap growing between Europe and the rest of the world, retiring allowances will stop investments, push for the relocation of industries outside Europe, and exacerbate the impact of the financial crisis for EU citizens." "CEPI is firmly against further efforts to manipulate the carbon price. These measures would substantially alter the nature and functioning of the ETS and would require complex institutional changes. It goes without saying that a price floor would require also a price cap. And these would have to take into consideration the impact on competitiveness that carbon pricing has on the whole range of sectors covered by the ETS."
International climate agreement	"We have understood that the EU target of 20% only moves to 30% when an international binding climate change agreement is reached. As these pre-requisites are not there, the Commission would be exceeding its powers if it would propose to increase the 2020 target to -30% within the context of the EU ETS review." "Changes to the linear reduction factor for industry can only start after 2020 and only when either a global agreement is reached or significant breakthrough technologies become available."

Trade Association Profile – Eurelectric

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	EURELECTRIC puts forward a clear message that current policies will not deliver affordability, sustainability or security of supply..
Targets	"[EURELECTRIC calls for] an economy-wide 2030 emissions reduction target of at least 40% compared to 1990, in line with the Commission's Low-carbon Economy Roadmap 2050" "A technology neutral approach must be adopted in meeting the agreed targets." "A strengthened ETS will support robust deployment of mature renewables and supply-side energy efficiency. Adding further European targets per technology objective would risk a continued reliance on multiple instruments, with an adverse impact on costs. Targets for renewables and energy efficiency should at most be indicative and should only be decided after thorough analysis of their impact on the headline emissions reduction target."
International climate agreement	"…in order to be globally successful, climate action needs to be a collective endeavour. EURELECTRIC therefore urges the Commission to work towards a balanced, deliverable global response in the international climate negotiations."
EU ETS	"[EURELECTRIC calls for] a strengthened ETS as the key instrument for driving investment choice in low-carbon technologies, infrastructure and processes"
Innovation and technology development	"EU public funding for power sector RD&D and incentives for private investment along the whole innovation value chain should be increased in line with the challenges and opportunities of low-carbon technologies, infrastructure and processes."
Internal energy market	"[EURELECTRIC calls for] a re-commitment by EU decision-makers to the completion of the internal energy market;"
Industrial competitiveness	"Having identified and chosen the ETS carbon market as the most cost-effective instrument, the EU should resolve problems of industrial competitiveness within that framework: EURELECTRIC firmly opposes any splitting of the ETS into separate sectoral schemes."

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Reaction to proposals	"We strongly regret that the structural options outlined in the report are not explicitly linked to a clear process of decisions on a post-2020 climate and energy framework." "EURELECTRIC looks to the European Commission to urgently bring forward a coherent top- down package of proposals which: – Establish an ambitious, firm, long-term, economy-wide greenhouse gas reduction target for 2030 up to 2050, in line with the European Council goal"
Policy objectives	"EURELECTRIC has therefore assessed the six structural options outlined in the carbon market report in relation to two objectives: – Securing the long-term role of the ETS as the key driver policy for carbon reduction in an EU 2030 climate and energy package; – Maintaining the credibility of the ETS in the short-term before 2020. On this basis, EURELECTRIC gives highest priority to option (c) for an early revision of the annual linear reduction factor in line with a 2030 target. We envisage that a revised linear factor coming into effect before 2020 would ned to be increased in the range of 2.3% dependent on the economy-wide greenhouse gas emissions reduction goals and burden sharing between the ETS and non-ETS sectors. Option (b) to retire EUAs in phase 3 is seen as subsidiary to option (c) because it does not provide a long-term signal, but recognising that revision of the linear factor cannot take effect immediately, some EURELECTRIC members consider that a retirement is necessary to re-establish market confidence in a relatively short time. EURELECTRIC members agree that any retirement in phase 3 should be integrated into a subsequent revision of the linear factor in order to bring the retirement into alignment with the 2030 target. EURELECTRIC also firmly favours option (d) for the extension of the scope of the ETS to other sectors because this is consistent with the goal of cost-effective economy-wide carbon reductions and the completion of the harmonised internal energy market. We take note that both Australia and California include additional sectors in their carbon markets, and we call on the Commission to undertake a detailed assessment of the feasibility of extending the scope of the ETS for phase 4."
Carbon leakage and European competitiveness	"We remind the Commission that it is not the ETS, but rather taxes and the burden of expensive renewables subsidy policies that are today causing electricity costs to rise, and that current renewables subsidies deliver emissions reductions at several times the cost of the same reductions if they were delivered through the ETS. This has a damaging impact on the whole economy because these costs affect all businesses and al residents. Meanwhile on-going policy uncertainty due to a weak ETS and the lack of a target beyond 2020 means that the European electricity sector is un-investable, and our sector is experiencing its own problem of global competition: instead of investing to replace old power generation and grids in Europe, EU-based electric utilities are becoming international and are investing elsewhere in the world. A stronger ETS can help to solve both of these problems."
International climate agreement	"With international negotiations in the UNFCC proceeding slowly, showing the world that the EU remains committed to a long-term strategy of driving carbon reduction through a strong ETS is crucial to securing a global level playing field in climate action." "EURELECTRIC believes that the ETS can and should be the key driver policy for carbon reduction in an EU 2030 climate and energy package. EURELECTRIC also believes that a rebalancing of supply and demand in ETS is needed in order for the carbon price to remain integral to business operations and investment decisions, through to 2020 and beyond."

Trade Association Profile – Eurofer

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Targets	"In order to avoid distortions in the internal market and make sure the climate objectives are reached in a cost-effective way, targets should be set EU-wide and structured around an harmonized policy framework." "…targets for the industry should not be binding but take into consideration technological development. In that sense, emission reduction pathways for the steel industry should be built 'bottom-up' which means they need to be based on abatement levels which are technically and economically feasible, irrespective of the overall cap. Furthermore, inefficiencies stemming from overlapping policies, in particular the interaction between the CO2, the renewable energy and the energy efficiency targets, must be addressed."
International climate agreement	"Targets should not be set unilaterally but in the context of a joint effort by developed and developing nations, ideally within the framework of an international agreement." "Future policies should introduce some degree of flexibility like for example making the EU climate targets conditional to the signature of a global climate agreement and take into consideration technological development."
EU ETS	"The recent backloading proposal and the discussion about structural measures to reinforce the EU ETS pre-2020 is a recipe for disaster, scaring away investments."
Innovation and technology development	"EU research and innovation policies (FP7, Horizon 2020, structural funds, national initiatives...) are too fragmented and nearly entirely geared to support end-product technologies but not process technologies."
Energy sources	"The EU must adopt a looking-forward strategy to exploit unconventional fuels in a sustainable way. Unjustified regulatory restrictions on the exploration and production of these fuels should be avoided."
Internal energy market	"EU research and innovation policies (FP7, Horizon 2020, structural funds, national initiatives...) are too fragmented and nearly entirely geared to support end-product technologies but not process technologies."
Industrial competitiveness	"In order to ensure an EU strong industrial strategy, the 20% GDP target for industry should be extended beyond 2020 and become part of the 2030 set of objectives."

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Reaction to proposals	"EUROFER is opposed to any measure that would either increase the 2020 target and/or boost up carbon and power prices. Given the investments required and the corresponding lead times, the time horizon is too short for such measures to have meaningful effects on the steel sector. On the contrary, the proposals will drive up power prices and ETS compliance costs, consequently weakening the competitive position of the industry." "Against this background, EUROFER wishes to insist that any anticipated increase of the EU ETS 2020 emission target or increase in the carbon price would create an unjustified supplementary burden on the EU economy and in particular the steel industry."
Policy objectives	"Options a, b and c are equivalent to a reduction of the cap. EUROFER is opposed to such a decision. The 2020 Climate and Energy Package makes it clear that any strengthening of the target has to be conditional to similar efforts by third countries. It is unlikely that there will be any legally binding global agreement entering into force before 2020. Therefore globally distortive direct and indirect CO2 costs will continue to weigh on energy-intensive industries until then." "EU prosperity relies on a strong, competitive, energy and resource efficient industrial base. That's why EUROFER is convinced that an unbiased re-cast of the EU climate and energy policy is required in order to meet long term ambitious mitigation objectives whilst maintaining at the same time a decent level of competitiveness of our economy. A quick fix to the EU ETS is not the answer"
Carbon leakage and European competitiveness	"In other words the technologies involved under too ambitious reduction targets will demand huge and sustained risky investments while at the same time increasing operating costs without giving any competitive advantage to industry, should the EU adopt such targets unilaterally. Unlike investments in energy efficient technologies or process control which can be paid back after a limited period of time, the breakthrough technologies under consideration for the steel sector will, if implemented, deteriorate the competitive position of the EU steel industry." "Repeated piecemeal intervention discredits the EU ETS and turn away investors. The industry needs planning certainty." "Higher carbon prices will inevitably result in higher power prices. This will damage the competitiveness of electricity-intensive industries (in particular the Electric Arc Furnace steelmaking route based on steel recycling) and increase their exposure to carbon leakage."
International climate agreement	"Climate policies made in isolation from the rest of the world and leading to unilateral cost increases will not put the EU economy on track towards a cost-effective decarbonisation." "Until a comprehensive global agreement on climate change ensuring a level playing field is achieved, such a reform needs to be designed so as to protect the manufacturing value chains in Europe."
Technology development	"it is technically not feasible for the sector to meet the current pathway enshrined in the EU ETS of 21% CO2 reduction by 2020 and of 34 to 40% by 2030 (meaning 43-48% CO2 reduction by 2030 for the ETS sector)" "It must rely on measures which are technically feasible and economically viable for the sectors involved."

Trade Association Profile – Eurometaux

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"Major EU internal and international developments require Europe to re-balance its objectives… The focus cannot simply be on climate change and energy alone; it should also cover industrial policy, competitiveness, taxes, trade, competition policy and innovation."
Targets	"Eurometaux proposes the following: A. Legally binding climate targets for CO2 emission reductions should be accompanied by legally binding compensation to carbon leakage exposed industries, arising from direct and indirect costs due to the EU/ETS, based on actual production. B. Additional costs for renewable production or energy efficiency should be accompanied by measures securing the competitiveness of carbon leakage exposed industries (support schemes, grid costs, etc.) State aid rules must be adjusted to allow for a general exemption of such costs for these industries." "Coherence can be ensured by putting climate targets on an equal footing with industrial competitiveness."
International climate agreement	"New policies have to be linked with equal commitments from other global competitors in the form of international binding agreements to provide equivalent conditions for companies competing globally. In the meantime, electro-intensive trade exposed industry in Europe should be shielded from the impact of EU policies that impact competitiveness."
EU ETS	"Should the EU continue to price CO2 emissions associated with industrial production then the ETS should be maintained as the primary, market-based incentive to reduce emissions for industry and other sectors concerned." "Ensuring a predictable long-term legislative framework with no interventions during the trading period – we propose to extend the trading period to 10-15 years."
Innovation & technology development	"The EU can increase innovation capacity by a stable and predictable regulatory framework allowing for investments in new technologies and processes. This can be supported by EU funding mechanisms dedicated to industrial large-scale demonstration projects."
Energy sources	Allow for the deployment of all energy sources, enabling competitive prices."
Industrial competitiveness	Binding measures for industrial competitiveness, to secure 20% of GDP in industrial activity by 2020, must be strengthened until a global level-playing field is achieved."

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Policy objectives	"The options listed in the carbon market report will only provide a quick fix for EU ETS by tightening the market balance. To avoid similar situations later on, the EU ETS needs deep structural reform, and Eurometaux calls upon the European Commission and members states to allow sufficient time for a proper and informed debate on real structural reform, focusing on the structure of post-2020 ETS." "EU climate policy should be aligned with the Commission's goal of increasing industry's share in the EU GDP to 20% by 2020."
Carbon leakage and European competitiveness	"Eurometaux strongly feels that an ETS review needs to bring a structural solution to the EU's competitive position." "…we very much doubt that a global climate agreement will assure a homogenous global carbon cost and a level playing field. All other emissions trading systems world-wide are, in most cases, designed as stand-alone systems with strong in-built protection of domestic industries. Linking ETS to other carbon schemes therefore requires scrutiny in order to ensure symmetry and reciprocity in terms of privileges and burdens on the industry on a global scale." "EU ETS was designed without any alternative planning with adequate long-term carbon leakage prevention measures. Consequently, the European non-ferrous metals industries, as well as other energy-intensive industries in Europe, are now fighting for their survival, carrying significant extra cost burdens in carbon and energy costs. "Back-loading" and other ad hoc measure to measure the balance of the EUA market will exacerbate the problems for industry without rectifying the weakness of the EU ETS."
International climate agreement	"The EU ETS functions well as a trading market and the goal of reducing GHG emissions by 20% by 2020 compared to the 1990 level is met. Options to tighten the EU ETS market should only be considered for the next trading period after 2020 on the basis of a global agreement on the UNFCCC in December 2015."

Trade Association Profile – European Chemical Industry Council (Cefic)

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"Europe will be successful in designing a sustainable 2030 framework if it properly considers the three main objectives: security and stability of energy supply; globally cost-competitive energy prices and environmental aspects to tackle negative externalities."
Targets	"[We ask the Commission to] apply a realistic climate approach: Set a top-down climate target conditionally only in case of a substantial global agreement with comparable burdens for industry worldwide. In the absence of a global agreement provide bottom-up calculations to define a realistic, cost-efficient range for a climate goal, taking scenarios into account." "[We ask the Commission to] introduce a target to reduce the cost of renewable energy by a certain % instead of requiring a proportion of renewable energy." "The three targets overlap and conflict. The renewables target and the energy efficiency target for 2020 are driving efforts that tend to reduce the demand for carbon allowances under the ETS. Accordingly, these abatement effects outside the ETS are leading to higher economic carbon costs. Costly abatement options often need long-term subsidy support that is affecting energy costs - these represent a misallocation of resources and cause economic losses."
International climate agreement	See above
EU ETS	"[We ask the Commission to] support ETS beyond 2020: Structural changes must be made to maintain ETS as a market based system, introducing more flexibility and avoiding short-term fixes like backloading."
Innovation and technology development	"[We ask the Commission to] focus on innovation: Build on sector specific knowledge and ability to innovate."
Energy sources	"[We ask the Commission to] diversify and use all energy sources…The development of unconventional energy sources including shale gas is also increasingly important."
Internal energy market	"[We ask the Commission to] drive full implementation of 3rd energy package and the completion of the internal energy market"
Industrial competitiveness	"[We ask the Commission to] enable economic growth: Inclusion of a 20% of industry share in GDP by 2020 and beyond & no absolute energy consumption cap which threatens growth perspectives."

2. Evidence from consultation response to the proposed EU ETS structural reform

Policy area/feature	Evidence of position
Reaction to proposals	"The Commission's short-term ETS 'quick-fix' options for before 2020 are narrow, alleged choices only label differently same but counterproductive EU target inflation: Unilaterally increasing the EU's GHG targets by removing allowances in different ways will not solve structural EU policy flaws." "The EU ETS must not be turned upside down into an instrument pushing up the EU carbon price in order to extract resources for increasing government revenues or for subsidising most costly abatement technologies. Too many policy objectives will weaken the ETS efficiency." "The introduction of a price floor and the introduction of a price management reserve would change the current ETS system entirely: Currently the carbon price can be formed freely according to the predefined allowances quantity and supply and demand at the lowest possible cost. These price-determining mechanisms would turn the carbon market into a tax-like instrument prone to political – possibly arbitrary – intervention. There are no criteria for the "right" carbon price either."
Policy objectives	"Investment decisions for until 2020 have already been made in economically difficult times – relying on the current regulatory framework's stability." "In line with the standing EU climate policy position Cefic is against a unilateral increase of the EU reduction target, ie. in the absence of comparable commitments and burdens around the globe." "Retiring of allowances even exceeds the current EC 'backloading' proposal. Cefic opposes strictly both backloading and retiring."
Carbon leakage and European competitiveness	"Due to the lack of a functioning power market across Europe and due to a lack of competition with other suppliers from outside the EU, the EU power industry can pass on carbon costs to the consumers. This affects the competitiveness of i.e. power-intensive sectors such as the chemical industry (that cannot pass on such EU extra costs) and thus affects the low-carbon efficiency of the scheme (increased risk and likelihood of carbon leakage)." "EC fixes instead increase European companies' regulatory risk, increase their exposure to EU's energy cost handicap and carbon leakage risk leading to net GHG emission increases globally, accelerate loss of EU manufacturing and employment." "Cefic rejects the idea of an intervention in the ETS in phase 3 i.e. in the absence of a global climate policy agreement. Such intervention would not improve but directly worsen the measures against carbon leakage without any environmental need. Moreover the absolute reduction path is not matched to economic activity, which could lead to investment leakage, even for the most sustainable and innovative production routes." "The assessment of the Carbon Leakage List each five years creates uncertainty and an unnecessary risk for industry. A sudden significant drop in the allocation volume threatens maintenance investments of existing installation needed to stay in Europe and threatens the needed investments in new production capacity so much needed for the recovery of the economy.
International climate agreement	"Short-term, arbitrary market interventions and measures as proposed by the Commission within the third trading period before 2020 fall short of providing the appropriate framework in a world of global competition also in a continued absence of a globally agreed, equitable climate policy."

Trade Association Profile – FuelsEurope (formerly EUROPIA)

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"EUROPIA agrees with the trio of energy and climate policy objectives. We believe that trade-offs among these objectives must be openly addressed, and the current emphasis of policies re-balanced: future policy choices should ensure that equal weight is given to all three objectives."
Targets	"The main focus of future climate policy should be on emissions reduction as opposed to setting specific targets for the energy mix and for energy consumption. EUROPIA calls on the EU to adopt a single, transparent, cost-effective, long-term trajectory for carbon abatement, which is shared economy-wide and accepted by society." "EUROPIA is against sectoral targets for different segments of the industry, as they would increase the complexity of the scheme, make its administration even more complex and could create competitive disadvantages between sectors where products can substitute each other." "EUROPIA does not support the current multiple and overlapping target regime, nor targets for renewables post 2020, particularly if they overlap with the central carbon abatement mechanism;"
International climate agreement	"The level of ambition of any target should be set in a transparent way and should take into account the differing pace of commitments by other countries, in order to ensure that EU competitiveness is maintained….Currently, the ETS Directive is not explicit on what would constitute an acceptable "International Agreement" and on the criteria to assess its consistency with the EU regulations."
EU ETS	"EUROPIA members support emissions trading as a cost-effective market mechanism for emissions reduction, in the power and industry sector. An appropriate market-based compensation scheme must remain in place to protect EU industry from carbon leakage effects… Policy measures that overlap with the scheme should be reviewed."
Innovation and technology development	"We recognise the need to support R&D to bring promising low-carbon technologies to the market, but all energy sources should be integrated into the market under normal market conditions, without subsidies as soon as possible. In fact, production subsidies8 for all fuels should be phased out."
Energy sources	"EUROPIA believes that economically and environmentally sustainable biofuels may play a significant role in the future of transport. We therefore supports the development of cost effective advanced biofuels, i.e. those biofuels that are nonfood & feed competing, sustainable and beneficial in terms of lifecycle greenhouse gas emission."
Internal energy market	"Rigorous enforcement of the third energy package into national laws is necessary and regular reporting on the implementation can be a good tool for assessing the contribution to security of supply."
Industrial competitiveness	"International or Member State level trade barriers or other protectionist measures are by no means the right answers to preserve industrial competitiveness. Market rationalisation must be allowed to happen where appropriate, without national interventions, and state aid rules should be applied uniformly across the EU." "Regarding the other objectives of the EU energy policy, namely competitiveness and security of supply, EUROPIA does not consider that binding targets are necessarily the best instrument to promote them."

2. Evidence from consultation response to the proposed EU ETS structural refor

Policy area/feature	Evidence of position
Reaction to proposals	"Discretionary price management is particularly controversial because the carbon price mechanism could become more a product of administrative and political decisions, than a result of the interplay of market supply and demand. Setting a price floor or creating a carbon price reserve could also reduce the efficiency of the market, and would interfere with the market mechanism setting the price between supply and demand."
Policy objectives	"Any structural adjustment of the ETS should address the longer term picture (i.e. post 2020) taking a broader view of climate, energy and industrial factors and in particular looking at global action. Therefore we regret that most of the proposed structural measures in the Commission's report on 'The state of the European carbon market in 2012' dated 14 November 2012 focus on short-term supply-demand adjustments and do not provide longer-term solutions."
Carbon leakage and European competitiveness	"The EU has committed not to increase its target unilaterally until other developed countries commit themselves to comparable emission reductions, and economically more advanced developing countries contribute adequately according to their responsibilities and respective capabilities. Unilaterally increasing the EU's CO2 reduction target will impact the competitive position of the EU economy without having any noticeable impact in terms of global CO2 mitigation."

Trade Association Profile – International Association of Oil and Gas Producers

1. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Policy objectives	"We agree with the trio of climate and energy policy objectives: security of supply, sustainability and affordability of energy supporting industrial competitiveness and societal quality of life. OGP also believes that trade-offs among the objectives should be addressed openly, and the current emphasis needs to be re-balanced: future policy choices should ensure that adequate weight is given to all three objectives."
Targets	"In general, we favour EU-wide policy mechanisms and approaches as they underpin the internal market by reducing intra-EU trade distortions and thus support EU competitiveness… …we do not support further triple targets (greenhouse gas (GHG) / renewable energy sources (RES) / energy efficiency (EE), e.g. XX-XX-XX) for 2030 and believe the EU should set an overall climate ambition for 2030 based on a single GHG target" "This target must take into account sound science, progress at the international climate negotiations, and reflect existing and future commitments of other major trading partners."
International climate agreement	"As part of a suitable international agreement the EU climate ambition for 2030 might be incorporated in binding international targets."
EU ETS	"[The EU ETS] should remain the central EU mechanism for CO2 emissions reduction for electricity and industrial sectors"
Innovation and technology development	"We also recognise the need to support R&D to bring promising low-carbon technologies to market, but all energy sources should be integrated into the market and allowed to compete under normal market conditions, without subsidies"
Energy sources	"Within the 2030 energy and climate framework, natural gas should be enabled as a reliable and immediately available option to help meet emissions reduction target cost-effectively… Additionally, natural gas from shales is potentially an opportunity for Member States to further diversify their natural gas supply sources, while lowering overall GHG emissions and stimulating economic growth."
Internal energy market	"The Internal Energy Market needs to be completed as soon as possible in order to allow markets to deliver the most price-efficient solution."
Industrial competitiveness	"OGP does not consider targets as good instruments to promote or measure competitiveness and/or security of energy supply."

2. Evidence from the consultation response to the Green Paper on a 2030 framework for climate and energy policies

Policy area/feature	Evidence of position
Reaction to proposals	"The proposed structural measures for the EU ETS do not specifically address emissions post 2020. We would welcome further proposals from the Commission that address the whole economy – including the ETS and non-ETS sectors – in the post 2020 context. Reducing emissions of greenhouse gases is a societal challenge and the burden should not fall disproportionately on one part of the economy only."
Policy objectives	"Finally, any solution should take into account international developments and avoid exacerbating carbon leakage."

Annex 2 – Companies and national trade associations that are members of prominent trade associations lobbying on EU climate policy

1. BUSINESSEUROPE members (as of January 2015)

Corporate Advisory and Support Group
BusinessEurope's core membership is made up of national business federations from across 34 countries in Europe, but companies can also join as individual members.

Accenture	Adam Opel Ag	Alcoa
Arcelormittal	Areva	BASF
British American Tobacco	Bayer	BMW
Bosch	BP Europe	Caterpillar
Daimler	Diageo	Dupont De Nemours
EDF	ENEL	Exxonmobil
Facebook	Ford	GDF Suez
General Electric	Henkel	Hitachi
Hyundai	IBM	Imperial Tobacco Group Ltd.
Infineon Technologies Austria	Intel Corporation	JTI (Japan Tobacco International)
KLM	Lhoist	Lukoil
Michelin	Microsoft	MSD (Europe) Inc.
Mytilineos	NBC Universal	OMV
Oracle	Pfizer	Philip Morris International
Philips	Procter & Gamble	Randstad
Renault	Repsol	Safran
Samsung	Shell	Siemens
Solvay	Statoil	TCS (Tata Consulting Service)
Telecom Italia	Telefonica	Thermo Fisher
Toshiba	Total	Toyota
UPS	Veolia	Volkswagen

National Trade Federations that are members of BUSINESSEUROPE
Below are the national business federations which are BUSINESSEUROPE's direct members.

Alianta Confederatiilor Patronale din Romania – ACPR	ANIS – Associazione Nazionale Industria San Marino	Associaçáo Industrial Portuguesa – AIP
Bulgarian Industrial Association – Union of the Bulgarian Business – BIA	Bundesverband der Deutschen Industrie e.V. – BDI	Bundesvereinigung der Deutschen Arbeitgeberverbände e.V. – BDA
CIP Confederação Empresarial de Portugal	Confederación Española de Organizaciones Empresariales – CEOE	Confederation of British Industry – CBI
Confederation of Danish Employers – DA	Confederation of Danish Industry – DI	Confederation of Finnish Industries – EK
Confederation of Industry of the Czech Republic – Svaz průmyslu a dopravy České republiky – SPCR	Confederation of Norwegian Enterprise – NHO	Confederazione Generale dell' Industria Italiana – CONFINDUSTRIA
Croatian Employers' Association (Croatian Association of Employers) – HUP	Cyprus Employers & Industrialists Federation – OEB	Estonian Employers' Confederation – ETTK
Fédération des Entreprises de Belgique – Verbond van Belgische Ondernemingen – FEB-VBO	Fédération des entreprises suisses – Economiesuisse	Fedil – Business Federation Luxembourg
Hellenic Federation of Enterprises – SEV	Ibec	Industriellenvereinigung – IV
Latvijas Darba Deveju Konfederacija- Employers' Confederation of Latvia – LDDK	Lietuvos Pramonininkų Konfederacija- The Lithuanian Confederation of Industrialists – LPK	Malta Chamber of Commerce, Enterprise and Industry – MCCEI
MGYOSZ – BUSINESSHUNGARY (Munkaadók és Gyáriparosok Országos Szövetsége)	Montenegrin Employers Federation – MEF (Unija poslodavaca Crne Gore – UPCG)	Mouvement des Entreprises de France – MEDEF
Polish Confederation Lewiatan	Republikova Unia Zamestnavatelov (RUZ)	SA – Business Iceland (Samtök atvinnulífsins)
Serbian Association of Employers – SAE (Unija poslodavaca Srbije – UPS)	SI – Federation of Icelandic Industries (Samtök iðnaðarins)	Svenskt Näringsliv (Confederation of Swedish Enterprise) – SN
Swiss Employers Confederation	Turkish Confederation of Employer Associations – TISK	Turkish Industry & Business Association – TÜSIAD
Vereniging VNO-NCW	Združenje Delodajalcev Slovenije – ZDS (Employers' Association of Slovenia)	

2. CEFIC members (as of September 2014)

Corporate Members (ACOM)

3 M	AbbVie BV	Akzo Nobel Chemicals
Albemarle	Allnex	Arkema
Ashland/Hercules	BASF	BAYER
Borealis	BP	Celanese
Cepsa Quimica	Chemtura	Chevron Phillips
Clariant	Cristal	Dow Europe
Dow Corning	DSM	E. I. DuPont de Nemours and Company
Eastman Chemical	Evonik Industries	ExxonMobil Chemical Europe
FMC Foret	Honeywell	Huntsman (europe) bvba
ICL-IP	Ineos	International Chemical Investors SE – ICIG
Kemira oyj	Kuraray Europe	Lanxess
The Linde Group	Lubrizol	Lucite
Lyondellbasell Industries	Mapei	Merck KgaA
Mexichem	Novartis Pharma AG	OMV AG
Oxea	Perstorp	Procter & Gamble
Repsol Quimica S.A.	Rio Tinto	Sabic
Sandoz GmbH	Sanofi-CHIMIE	Socar Türkiye Istanbul
Shell Chemicals	Solvay	Styrolution
Styron	Sumitomo	Teva Pharmaceutical Industries ltd
Total Chimie	Tvk (a company of mol)	Unilever
Versalis spa	Wacker Chemie	

Federation Members (AFEM)

APDCR – Romanian Chemicals Producers and Distributors Association	APEQ – Associação Portuguesa das Empresas Químicas	Association of Lithuanian Chemical Industry Enterprises/Lietuvos Chemijos Pramones Imoniu Asociacija
Bulgarian Chamber of Chemical Industry/ Branshova Kamara na Turgovskite Drujestva ot Chimicheskata Promishlenost	CIA – Chemical Industries Association	Essencia
FCIO – Fachverband der Chemischen Industrie Österreichs	Federation of Estonian Chemical Industries/ Eesti Keemiatoostuse Liit	FEDERCHIMICA – Federazione Nazionale dell'Industria Chimica
FEIQUE – Federacion Empresarial de la Industria Quimica Espanola	GZS – Chamber of Commerce and Industry of Slovenia Dimiceva	HACI – Hellenic Association of Chemical Industries
IKEM – Innovation and Chemical Industries in Sweden	KT RY – Kemianteollisuus ry	MAVESZ – Hungarian Chemical Industry Association
Norsk Industri	PharmaChemical Ireland	PI – Procesindustrien
PIPC – Polish Chamber of Chemical Industry	Russian Chemists Union	SCHP – Association of Chemical Industry of the Czech Republic
Scienceindustries	The Association of Latvian Chemical and Pharmaceutical Industry/Latvijas Kimijas Un Farmacijas Uznemeju Asociacija	TKSD – Turkish Chemical Manufacturers Association
UIC – Union des Industries Chimiques	UKI – Association of Chemical Industry/ Udruzenje Kemijske Industrije	Ukrainian Chemists Union
VCI – Verband der Chemischen Industrie e.V.	VNCI – Vereniging van de Nederlandse Chemische Industrie	ZCHFP – Association of Chemical and Pharmaceutical Industry of the Slovak Republic / Zväz chemického a farmaceutického priemyslu Slovenskej republiky

Business Members (ABM)

AarhusKarlshamn	Abwassertechnische Beraung- und Serviceburö Steding (ABS)	Acideka S.A.
Acorn Water Ltd	Activa	Addivant Ltd
Adisseo	Advachem	A-ESSE Fabrica Ossidi Di Zinco
Agriphar	Air Products Chemicals Europe	Airedale
Ajinomoto Eurolysine	Ajinomoto Foods	Ajinomoto OmniChem
Akcros Chemicals	Akdeniz Chemicals	Alberdingk Boley
Alder S.p.A.	Alkim Alkali Kimya	AllessaChemie
Almatis GmbH	Alufluor	AlzChem trostberg GmbH
Ambrogio Pagani	Amcol Specialty Minerals	Amcor Flexibles Europe
Anitox	Arakawa Europe GmbH	Arizona Chemical Company
Arran Chemical	Arsol Aromatics	Asturiana de Zinc
Asua Products	Atlantic Copper	Aurubis
Austrotherm	Axens	Azomures

Babolna Bio	Bachem SA	Baerlocher
Balchem Corporation	Befesa Zinc Sondika	Belinka Perkemija
Bell Laboratories	Berzelius Stolberg	Bilbaina de Alquitranes
BIM Kemi	BioMCN	Bioxal
BK Giulini	Bluestar Silicones France	Bochemie
Bode Chemie	Boehringer Ingelheim Pharma	Boliden
Borregaard	Bozzeto Giovanni Spa	Bracco Imaging
Brenntag UK & ireland (Albion)	Brüggemann Chemical	Buckman Laboratories
Budenheim Iberica S.L.U.	Bruchsaler Farbenfabrik GmbH & Co	Byk Additives GmbH
CABB	Cabot	Caffaro
Calachem Ltd	Caldic Chemie	Cambrex Karlskoga
Campine	CarboTech	Carbogen AMCIS AG
Cargill	Catalyst Recovery Europe (Porocel)	Catena Additives
Celgene Chemicals	Cerbios	ChemCom Industries B.V
Chemie Kelheim GmbH	Chemifloc	Chemiplastica
Chemische Fabrik WIBARCO	Chemisol	Chemko
Chemson	Chemviron Carbon	Chevron Oronite
Chimica Dr. Fr. D'Agostino	Chimica Pomponesco	CH-Polymers OY
Christeyns	Ciech	Cinkarna
Citis sas	Citrique Belge SA	Climax Molybdenum
Clinty Chemicals	Coagulantes Del Cinca SL	Co.ge.fin.
Colorobbia Italia	Compañia Minero Rio Tirón	Contract Chemicals
Coplosa	Corbion	Cordenka Gmbh & Co. KG
CP KELCO	Cremer Oleo GmbH	Croda International
CropEnergies AG	CU Chemie Uetikon	CUF Quimicos Industriais
CWK Bad Köstritz	Cytec Industries	Dabeer
Daikin Industries LTD	Daw Bytom	DCC Maastricht BV
De Craene	Delamine	Derivados Del Fluor
Derivados Químicos	Desotec	DOG Deutsche Oelfabrik Gesellschaft für chemische Erzeugnisse
Deza	Dipharma	DOMO Caproleuna
Donau Carbon	Donau Chemie	Draslovka
DRT	Ecofuel spa	Ecogreen Oleochemicals
Ecolab	EcoloChem Magyarovar	Ecophos
Ediltec	EGIS Pharmaceuticals	Eigenmann & Veronelli
Electroquimica de Hernani	Elementis	Emery Oleochemicals
Endura	ENI	EOC
Ercros	Esco (European Salt Company)	ESD SIC

Essemar	Esterchem	Esteve Química
Eti Soda	Eurecat	Eurocarb Products
Eurocil Luxembourg S.A.	Euroresinas Industrias Quimicas	Euro Support Catalysts Group
Euro YserProductos Quimicos	Euticals Spa	Ewald Gelatine
Fabbrica Italiana Sintetici	Faci	Fantoni
FeF Chemicals	Feracid	Feralco
Ferro	Fertiberia	Finex Oy
Floridienne Chimie	Fluorchemie Dohna	Fluorsid
Forchem	FORESA	Formox AB
FRX Polymers	Gaba International	Gadot Biochemical Industries
Galata Chemicals GmbH	Galp Energia SGPS	Gaschema
Gattefossé	Gelatines Weishardt	Gelita
GE Water & Process Technologies	Givaudan	Glencore Nikkelverk AS
Grace	Green Oleo Srl	Grillo-Werke
Grillo Zinkoxid	Grindeks	Habich
Haldor Topsoe	Hamm Chemie	Hebron
Hellenic Petroleum Group	Helsinn Chemicals	Hentschke & Sawatzki Chemische Fabrik
Heubach GmbH	Hovione FarmaCiencia	Hypred
IKA Innovative Kunststoffaufbereitung GmbH & CO KG	Imerys Fused Minerals	Inchemica
I.N.D.I.A Industrie Chimiche S.p.A.	Industrial Chemicals	Industrial Quimica del Nalón
Industrial Quimica Lasem	Industrias Quimicas Asociadas	Industrias Químicas del Ebro
Infineum	IQESIL	ISOCHEM
Italgelatine	Italmatch Chemicals	IZOCAM
J.M. Huber	JACKON Insulation	Janssen Pharmaceutica
Johnson & Johnson	Johnson Controls Recycling	Johnson Matthey Macfarlan Smith
Juncá Gelatines	Jungbunzlaue r	KAO Corporation
Kerneos	Kerry Bioscience	KGHM Polska Miedz S.A.
Kilco Limited	Kilfrost	Killgerm
KLK Emmerich GmbH	Klüber Lubrication München SE & Co KG	Knauf
Kodak Nederland BV	Koppers Europe	Koppers Specialty Chemicals
Krems Chemie AG	KRKA	Kronochem
Kronos International	La Seda de Barcelona	Laboratoires Anios
Laboratorios Agrochem	Laboratorios Miret – Lamirsa	Lamberti
Lapi Gelatine	Laviosa Chimica Mineraria	Lawter BVBA
Lenzing	Lerg	Liebau Chemie
Liphatech	Lodi Group	Lonza Group
Lubrico-A Tsakalis Ltd	Lukoil Neftochim Bourgas	Luresa Resinas S.L.

Lysoform Dr. Hans Rosemann	Marchi Industriale	Mare Austria
Mario Pilato Blat	Medichem	Melamin D.D. Kocevje
Merck Sharp & Dohme	MFP Michelin	Microban
Milliken Chemical	Minafin France	Minera de Santa Marta
Minersa	Mitsubishi Gas Chemical Company	Momentive Performance Materials
Motim Electrocorundum Ltd	Nabaltec	Nalco Europe
Nanocyl	Neste Oil	Nordische Oelwerke
Norit Nederland	Norzinco	Novacarb
Novacap	Novacyl	Novapex
Novartis Animal health	Novozymes	Nubiola Pigmentos
Nuova Solmine	Nuplex Resins	Nyco
Nyrstar	OCI Nitrogen	Ofichem
Oleochem	Oleochimica Italia S.r.l.	Oleon
Oltchim	Omnova Solutions	Omya International
Organic Kimya Netherlands	Oxiris Chemicals	Oxizinc-Agalsa
PCAS	PCC Exol	PCC Rokita
PelGar International	Penox	Pentagon Fine Chemicals
Peter Greven Fett-Chemie	Petrochem Carless	Pfizer
Phillips 66	Physalys	PICA
Piramal Healthcare	Plastay Kimya Sanayi Ve Ticaret A.S	PMC
PKN Orlen	Poliya Polyester Industry and Trade	Polynt
Polycasa	Portovesme	PPG Industries
PQ Europe	Prayon	Precheza
Produits Chimiques De Loos – Chemilyl	Prom Chem	Promox
Protelor	Purolite International	PVS Chemicals
Quaker Chemical	Quimitécnica	Radici Chimica
Rahn	Reagens	Reagent
Reckitt Benckiser	Reichhold	Reinert Gruppe
Remondis	Rentokil Initial	Resindion
Resiquímica – Resinas Quimicas	Respol Resinas SA	RheinPerchemie
Rich. Steinebach	Robinson Brothers	Rohner
Roquette Frères	Rousselot	Rütgers Germany
Sachtleben Bergbau	Sachtleben Pigments	Sachtleben Wasserchemie
Sadepan Chimica	Sanitized	Sapec Quimica
SARAS	Sasol	S.C. Johnson
Schirm GmbH	Schill & Seilacher	Schülke & Mayr
Scott Bader Company	SE Tylose	SEKAB

SEPPIC	SERATEC	Shin-Etsu Silicones Europe
S.I.C.A.V.	SI Group	Sidra Wasserchemie
Siegfried	Sifavitor	Silcarbon Aktivkohle
Silekol	SILKEM	Silmaco
Silox	Sirap Insulation srl	SKW Stickstoffwerke Piesteritz
Slovnaft Petrochemicals sr.o.	Soda Sanayii	Soderec International
S. O.G.I.S. Industria Chimica	Songwon International AG	Sonneborn RP B.U.
Sopura	SPIGANORD	Spolana
Spolchemie	Stahl International	Statoil
Stearinerie Dubois	Stepan	Stockmeier Chemie
Sulquisa	Sun Chemical	Swords Laboratories
Syngenta Crop Protection	Synthesia	Synthite
Synthomer Ltd	Synthopol Chemie	Talvivaara Mining Company
Taminco	Tata Chemicas Europe	Tate & Lyle
TCDO Produktions	Tereos Syral	Tessenderlo Chemie
TFL Ledertechnik	Thor	TIB Chemicals
TIMAB Industries	Tolsa	Tosoh Europe
Total France	Total Germany	Tricat
Trifer	Trobas Gelatine	Tronox Pigments
Troy Chemical	UBE Chemical Europe	Ubichem
UMICORE	Unger	Unión Deriván
United Initiators GmbH & Co KG	United Resins	Uquifa
Ursa International	van Baerle	Van Baerle GmbH + Co.
Veolia Water	Vereinigte Kreidewerke Dammann KG	Victrex Manufacturing Ltd
Vodni Sklo A.S	Vopelius Chemie AG	Washington Mills Electro Minerals
Weylchem Frankfurt	William Blythe	Woellner
Worlée	Xellia Pharmaceuticals	Xstrata Zink
YARA International	Zach System S.p.A	Zak SA
Zaklady Azotowe Pulawy	Zaklady Azotowe w Tarnowie-Moscicach	Grupa Azoty Zaklady Chemiczne Police S.A.
Zapi	Zea-Sciences	Zeochem
ZM Silesia SA	Zschimmer Schwarz Mohsdorf	

3. CEPI members (as of September 2014)

Through its 18 member countries (17 European Union members plus Norway) CEPI represents some 520 pulp, paper and board producing companies across Europe, ranging from small and medium sized companies to multi-nationals, and 940 paper mills. A list of companies which are members of CEPI is not disclosed on their website.

Partners
The Partnership Programme is open to stakeholders in the pulp, and paper or cardboard industry, namely machine and/or chemical suppliers with a direct link to paper manufacturing.

Buckman	Omya	Pöyry
Voith		

Members
Below are the national business federations which are CEPI's direct members.

ACPP – Association of the Czech Pulp and Paper Industry	ASPAPEL – Asociación Española de Fabricantes de Pasta, Papel y Cartón	ASSOCARTA – Associazione Italiana fra gli Industriali della Carta, Cartoni e Paste per Carta
AUSTROPAPIER – Vereinigung der Österreichischen Papierindustrie	CELPA – Associação da Indústria Papeleira	Chamber of Commerce and Industry of Slovenia
COBELPA – Association des Fabricants de Pâtes, Papier et Cartons de Belgique	COPACEL – Union Française des Industries des Cartons, Papiers et Celluloses	CPI – Confederation of Paper Industries
FEDPRINT – Federation of the Hungarian Printers and Paper Makers	FFIF – Finnish Forest Industries Federation	Norsk Industri
ROMPAP – The Patronizing Organization for Romanian Pulp and Paper Industry	Royal VNP – Vereniging van Nederlandse Papier – en kartonfabrieken	SFIF – Swedish Forest Industries Federation
SPP – Association of Polish Papermakers	VDP – Verband Deutscher Papierfabriken	ZCPP SR – Union of Pulp and Paper Industry of the Slovak Republic

4. EURELECTRIC members (as of September 2014)

Full members

AUSTRIA Österreichs E-Wirtschaft	BELGIUM Fédération Belge des Entreprises Electriques et Gazières asbl (FEBEG) / Federatie van de Belgische Elektriciteits-en Gasbedrijven (FEBEG) SYNERGRID asbl	CROATIA (local name: Hrvatska) Croatia EURELECTRIC Section – Croatian Chamber of Economy
CYPRUS Electricity Authority of Cyprus	CZECH REPUBLIC Cesky Svaz Zamestnavatelu v Energetice (CSZE)	DENMARK Dansk Energi
ESTONIA The Union of Electricity Industry of Estonia	FINLAND Energiateollisuus ry	FRANCE Union Française de l'Electricité (UFE)
GERMANY Bundesverband der Energie- und Wasserwirtschaft e.V. (BDEW)	GREECE Hellenic Electricity Association (HELAS)	HUNGARY EURELECTRIC Magyarorszagi Tagozat
ICELAND Icelandic Energy & Utilities (SAMORKA)	IRELAND Electricity Association of Ireland (EAI)	ITALY Assoelettrica – Associazione nazionale delle imprese elettriche
LATVIA Latvian Association of Power Engineers & Energy Constructors (LEEA)	LITHUANIA Nacionaline Lietuvos Elektros Asociacija	LUXEMBOURG Organisation des Entreprises d'Electricité du Luxembourg
MALTA ENEMALTA Corporation	NORWAY Energi Norge	POLAND Polski Komitet Energii Elektrycznej (PKEE)
PORTUGAL Associação Portuguesa das Empresas do Sector Eléctrico (ELECPOR)	SLOVAKIA (Slovak Republic) Zväzu Zamestnávatel'ov Energetiky Slovenska (ZZES)	SLOVENIA Slovenian Chamber of Commerce, Energy Association, EURELECTRIC Section
SPAIN Asociación Espanola de la Industria Eléctrica (UNESA)	SWEDEN Svensk Energi Swedenergy AB	SWITZERLAND Verband Schweizerischer Elektrizitätsunternehmen (VSE) / Association des Entreprises Electriques Suisses (AES)
THE NETHERLANDS Energie-Nederland Netbeheer Nederland	TURKEY Türkiye Elektrik Sanayi Birligi (TESAB)	UNITED KINGDOM Energy UK Energy Networks Association (ENA)

European Affiliate Members

ALBANIA Korporata Elektroenergjitike Shqiptare (KESH) sh.a.	BELARUS BELENERGO	BOSNIA AND HERZEGOWINA Elektroprivreda Bosne i Hercegovine
RUSSIAN FEDERATION NP Market Council	SERBIA Electric Power Industry of Serbia	UKRAINE Ukrenergo
UNITED KINGDOM Jersey Electricity Company Ltd.		

Mediterranean Affiliate Members

ALGERIA Société Nationale de l'Electricité et du Gaz (SONELGAZ)	EGYPT Egyptian Electricity Holding Company (EEHC)	EGYPT Egyptian Electricity Holding Company (EEHC)
MOROCCO Office National de l'Électricité (ONE)	TUNISIA Société Tunisienne de l'Électricité et du Gaz (STEG)	

International Affiliate Members

JAPAN Central Research Institute of Electric Power Industry (CRIEPI)	KAZAKHSTAN Kazakhstan Electricity Grid Operating Company	SOUTH AFRICA ESKOM

Other International Partners

AUSTRALIA Energy Supply Association Australia Limited (ESAA)	CANADA Canadian Electricity Association (CEA)	CHINA China Electricity Council (CEC)
JAPAN IERE – Electric Power Technology Platform	UNITED STATES Edison Electric Institute (EEI)	URUGUAY CIER

Business Associates

ABB	Accenture	APX Power Spot Exchange
AREVA	Burmeister & Wain Scandinavian Contractor A/S	Diehl AKO Stiftung & Co. KG
DNV GL – Energy	DTEK	Energy Insights
Enrichment Technology Company Limited	EPEX Spot SE	FTI Compass Lexecon
GEN Nederland BV	GLEN DIMPLEX	IBM
IHS Global Limited	Itron	Landis+Gyr AG
ORMAZABAL Velatia	Pöyry Management Consulting Ltd	PricewaterhouseCoopers
Siemens AG	Tesla (Europe) Ltd	Wärtsilä Corporation

5. EUROFER members (as of September 2014)

Members

Acciaieria Arvedi S.p.A.	Acerinox SA	AG der Dillinger Hüttenwerke
Aperam	ArcelorMittal Group	BSW – Badische Stahlwerke GmbH
Bulgarian Association of the Metallurgical	CELSA Group	CMC Poland
Deutsche Edelstahlwerke GmbH	Duferco Belgium	Edelstahl-Vereinigung E.V.
ENXE – Hellenic Steelmakers Union	Evraz Vitkovice Steel a.s.	Fachverband der Bergwerke und Eisen erzeugenden Industrie
Federacciai	Federation Française de l'Acier	Feralpi Siderurgica S.p.A.
FNsteel	Georgsmarienhütte Group	Groupement de la Sidérurgie asbl
Halyvourgiki Inc.	Hellenic Halyvourgia	Hutnictvi Zeleza
ILVA SpA	ISD Dunaferr Danube Ironworks Private Company Limited by Shares	ISD Huta Czestochowa Sp.z.o.o.
Jernkontoret	Lech-Stahlwerke GmbH	Liepajas Metalurgs
Lucchini S.p.A.	Marienhütte Stahl und Walzwerk GmbH	Metallinjalostajat
Metinvest Trametal SpA	MVAE – Association of the Hungarian Steel Industry	NLMK Europe
Outokumpu Oyj	Ovako Group	Polish Steel Association
Riva Forni Elettrici SpA	Ruukki	Saarstahl AG
Salzgitter AG	Sidenor SA – Greece	Siderurgia Nacional – Empresa de Produtos Longos S.A
SIJ Slovenian Steel Group	SSAB Group	Stahlwerk Thüringen GmbH
Store Steel	Tata Steel Europe Ltd	ThyssenKrupp AG
Trinecke Zelezarny AS	U.S. Steel Kosice	UK Steel – EEF
UNESID Spanish Steel Association	UniRomSider	voestalpine AG
Vorskla Steel Denmark A/S	Wirtschaftsvereinigung Stahl	

Associated Members

Colakoglu Metalurji	Diler Demir Celik	Ereğli Demir ve Çelik Fabrikalari T.A.Ş.
ICDAS	Iskenderun Demir ve Celik ISDEMIR	Kremikovtzi AG
Swiss Steel AG	TÇÜD – Türkiye Çelik Üreticileri Derneği	

6. Eurometaux members (as of September 2014)

National Members

Agoria (Belgium)	AFA (Association française de l'Aluminium (France)	Association of Finnish Steel & Metal Producers, Metallinjalostajat (Finland)
Association Suisse des Métaux Précieux (Switzerland)	Assomet (Italy)	BAMI (Bulgarian Association of the Metallurgical Industry) (Bulgaria)
FEDEM (France)	IGMNiR (Polish Economic Chamber / Association of Non-Ferrous Metals & Recycling)	Johnson Matthey (UK)
Norsk Industri (Federation of Norwegian Industries) (Norway)	SveMin (Swedish Association of Mines, Mineral & Metal Producers) (Sweden)	Unicobre (Spain)
VNMI (Vereniging Nederlandse Metallurgische Industrie) (NL)	WVM (WirtschaftsVereinigung Metalle (Germany)	WKO (Association of the Austrian Non-Ferrous Metals Industry) (Austria)

European Non-Ferrous Metals Commodity Associations

EAA (European Aluminium Association)	ECI (European Copper Institute)	EPMF (European Precious Metals Federation)
ILA-Europe (International Lead Association Europe)	IZA-Europe (International Zinc Association Europe)	Nickel Institute

Company Members

Alcoa Europe	Anglo American	Atlantic Copper
Aurubis	BHP Billiton	Boliden
ECO-BAT Technologies	Elkem	Eramet
Fesil	Finnfjord	Hydro
KGHM Polska Miedz	Metallo Chimique	Norilsk Nickel Finland Oy
Nyrstar	Plansee	Rio Tinto Alcan
Umicore	Vale Inco	Wieland Werke
Xstrata Zinc		

Associate Members

BeTS (Beryllium Science & Technology Association)	CDI (Cobalt Development Institute)	EPMA (European Powder Metallurgy Association)
Euroalliages	EUROBAT (European Storage Battery Manufacturers Association)	I2a (International Antimony Association)
IMoA (International Molybdenum Association)	LME (London Metal Exchange)	RECHARGE (International Association for the Promotion & Management of Portable Rechargeable Batteries)
Tin Technology Ltd. (ITRI)	VANITEC (Vanadium International Technical Committee)	

7. FuelsEurope members (as of September 2014)

Members

Alma Petroli	Anadarko Petroleum Corporation	bp
cepsa	Eni S.p.A	ERG
ESSAR	ExxonMobil	galp energia
Gruppo api	Gunvor Group	H&R Gruppe
Hellenic Petroleum	INA	INEOS
IPLOM S.p.A	Koch Industries	Lotos
lukoil	lyondellbasell	MOL
Motor Oil	murco	neste oil
nynas	OMV Group	Orlen
Phillips 66	preem	Q8
Raffinerie Heide	Repsol	Rompetrol
Sara	Saras	Shell
SRD	st1	Statoil
Tamoil	Total	Valero
Varo Energy		

8. International Association of Oil and Gas Producers members (as of September 2014)

OGP upstream companies

Abu Dhabi National Oil Company (ADNOC)	Addax Petroleum	Afren Plc
Anadarko Petroleum Corporation	JSOC Bashneft	BG Group
BHP Billiton	BP plc	Cairn Energy
Cairn India	Chesapeake Energy	Chevron Corporation
CNOOC Limited	CNR International	ConocoPhillips
Devon Energy	Dolphin Energy Ltd	DONG Energy A/S
Dragon Oil	E.ON Ruhrgas AG	eni SpA
ExxonMobil	Fairfield Energy	GALP Energia, SA
GdF Suez E&P	Genel Energy	Hess Corporation
Husky Oil Operations Ltd	INPEX Corporation	Kosmos Energy
Kuwait Oil Company	Maersk Olie og Gas AS	Marathon Oil Company
MOL plc	Murphy Oil	Nexen Energy ULC
Noble Energy	North Caspian Operating Company (NCOC)	OMV
Origin Energy	Pan American Energy	Papuan Oil Search Ltd
Perenco Holdings Ltd	Petróleo Brasileiro SA (Petrobras)	Petróleos Mexicanos (Pemex)
PETRONAS Carigali Sdn Bhd	PLUSPETROL SA	Premier Oil
PTT Exploration and Production Public Company Ltd (PTT EP)	Qatar Petroleum	Ras Laffan Liquified Natural Gas Company Limited (RasGas)
Repsol	RWE Dea AG	Sasol
Shell International Exploration & Production BV	Statoil	Suncor
Talisman Energy Inc.	Total	Tullow Oil
Wintershall Holding GmbH	Woodside Energy Ltd	Yemen LNG Company Ltd
Zakum Development Company (ZADCO)		

National and other associations

American Petroleum Institute (API)	Asistencia Recíproca Petrolera Empresarial Latinoamericana (ARPEL)	Association of German Oil & Gas Producers (WEG)
ASSOMINERARIA	Australian Petroleum Production & Exploration Association	Canadian Association of Petroleum Producers (CAPP)
Consejo Colombiano de Seguridad (CCS)	Energy Institute	Insituto Brasileiro de Pétroleo, Gás e Bioconbustíveis (IBP)
International Association of Drilling Contractors (IADC)	International Association of Geophysical Contractors (IAGC)	International Petroleum Industry Environmental Conservation Association (IPIECA)
Irish Offshore Operators' Association (IOOA)	Netherlands Oil and Gas Exploration and Production Association (NOGEPA)	Norwegian Oil and Gas
Oil Gas Denmark	Oil & Gas UK	

OGP Associate Members

Baker Hughes Incorporated	Schlumberger	